



## PRIVATE ADVISOR GROUP

# CUSTOMER RELATIONSHIP SUMMARY

Private Advisor Group (PAG) is registered with the U.S. Securities and Exchange Commission as an investment adviser. Investment advisory and brokerage services and fees differ, and it is important for you to understand the differences in order to choose which type of account is right for you. There are free and simple tools available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS) which also provides educational materials about investment advisers, broker-dealers, and investing.

### What investment services and advice can you provide me?

- PAG offers investment advisory services to retail investors, and our financial professionals are called Advisors. Some of the services we offer are wealth management, insurance consulting, and financial planning, and through these services, we can access investment products such as stocks, bonds, exchange-traded funds (ETFs), and mutual funds.
- You will typically give us discretionary authority on your account by signing our Investment Advisory Agreement, which means your Advisor will make buy and sell decisions without calling you first, and your account will be monitored on an ongoing basis. If you do not give us discretionary authority or select a third-party advisory program, you will make the ultimate decision regarding the purchase or sale of investments and will need to speak with your Advisor prior to each transaction.
- Our services include wrap fee programs and non-wrap fee programs. In some programs, advisory fees and trading costs are both paid by you – this is referred to as a non-wrap fee program. In a wrap-fee program, most advice fees, and trading costs are wrapped up into one fee – but this is usually higher than the advisory fee paid for a non-wrap-fee program.
- PAG has no minimum account size or investment amount, but our Advisors may have minimums. There is no ongoing monitoring for limited scope engagements, such as creating a financial plan or consulting services. For more detailed information on services offered, please review PAG's Part 2A Brochure and read Item 4 and 7.

**Note:** Some of our Advisors are registered representatives of LPL Financial LLC ("LPL"), an SEC registered broker-dealer and investment adviser. If so, your Advisor may offer you brokerage services through LPL or investment advisory services through PAG. Brokerage services and investment advisory services are different, and the fees we, and LPL, charge for those services are separate. It is important that you understand the differences. In particular, your Advisor may earn additional transaction-based compensation and have additional conflicts of interest as a result of providing brokerage services through LPL. You are encouraged to learn more about LPL by reviewing [lpl.com/disclosures.html](http://lpl.com/disclosures.html) and having a discussion with your Financial Professional.

### Questions you should ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### What fees will I pay?

- **Percentage Fee:** PAG generally charges a fee that is a percentage of the assets to be managed. The fee is negotiable, with a maximum annual fee of 2.25%. The fee is based on the value of the investments in your account and charged quarterly in advance. A fee that is a percentage of the assets to be managed may create a disincentive for your Advisor to perform additional work for a client because that work will not increase his or her compensation. Your Advisor may have an incentive to perform less work for clients with fewer assets. Since fees increase when assets increase, your Advisor has an incentive to encourage you to increase the assets in your account.
- **Flat Fee:** PAG may also agree to charge a fixed or flat fee for its services, charging a specific dollar amount for a specific time period. A fixed fee may create a disincentive for your Advisor to perform additional work for you because that work will not increase his or her compensation.
- **Hourly Fee:** PAG may also agree to charge an hourly fee for all time spent working on a client's behalf. An hourly fee may create an incentive for your Advisor to perform additional work for the client because his or her compensation will increase with any additional work.

Securities offered through LPL Financial, member FINRA/SIPC. Investment advice offered through Private Advisor Group, a registered investment advisor and separate entity from LPL Financial.



- **Wrap Fee and Non-Wrap Fee:** If you are in a wrap fee program, trading costs will be charged to your Advisor, so he or she will have a disincentive to perform work for you by trading in your account. If you are in a non-wrap fee program, you will pay a per-transaction charge in addition to the percentage fee.
- **Subscription Fee:** Your Advisor may provide publications or seminars for which you may be required to pay a subscription fee.
- **Custodian Fees:** You will be charged fees by the custodian where your account is held for services such as account maintenance, and you should review the fee schedule published by the custodian for those specific fees.
- If you use the services of a portfolio manager or third-party investment advisory firms, you will be charged fees depending on the terms of your agreement with them.
- You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please ask your Advisor for personalized information and make sure you understand what fees and costs you are paying.

#### Questions you should ask your financial professional:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

### What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. Our firm makes money from advisory fees that our clients pay. This is a conflict of interest because those fees reduce your investment returns. Your financial professional may also make money outside of PAG, typically as a registered representative of a broker-dealer or an insurance agent and recommendations to utilize him or her in those roles create a conflict of interest.

#### Questions you should ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

### How do your financial professionals make money?

Your Advisor receives a portion of the investment advisory fee you pay. This creates an incentive for your Advisor to encourage you to increase the assets in your account. The portion of the investment advisory fee paid to your Advisor will differ based on the advisory service or program. Your Advisor may also make money from related fields, but outside PAG. For example, if your Advisor is also a registered representative of LPL, they would earn commissions from buying and selling securities in a brokerage account. Your Advisor may also be an insurance agent, and would earn commissions for selling you policies or annuities. If so, your Advisor will also have an incentive to increase the assets in your brokerage account or your insurance contracts to make more money from those roles.

Your Advisor may attend business dinners, educational conferences, or social events where the costs are paid by investment companies, which creates an incentive for your Advisor to recommend those products.

### Do you or your financial professionals have legal or disciplinary history?

Yes. PAG does, and some of our advisors do. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research PAG and our Advisors.

#### Questions you should ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

### Additional information

You may find additional information about our firm and services at [privateadvisorgroup.com](http://privateadvisorgroup.com). You may call us at (973) 538-7010 to request up-to-date information and a copy of the relationship summary.

#### Questions you should ask your financial professional:

- Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

Securities offered through LPL Financial, member FINRA/SIPC. Investment advice offered through Private Advisor Group, a registered investment advisor and separate entity from LPL Financial.

# LPL FINANCIAL LLC (LPL) RELATIONSHIP SUMMARY

Effective March 31, 2022

LPL (referred to as “we” or “us”) is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser. We have a network of financial professionals (“Professionals”) who offer brokerage and investment advisory services. Brokerage and investment advisory services, and the fees we charge for them, differ, and it’s important that you understand the differences. This relationship summary will

explain the various services we offer, how we charge for those services, and conflicts of interest that exist when we provide our services. To help you research firms and financial professionals, you can access free and simple tools at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

Our Professionals offer brokerage services, investment advisory services, or both, depending on their licenses. Each Professional generally provides access to a range of investment products, such as stocks, bonds, exchange-traded funds (ETFs), mutual funds, annuities, and alternative investments. Please note that the range of investment options available to you may be limited depending on the licenses your Professional holds or if he or she is located at a financial institution that does not offer certain options. Your Professional or account program may also have specific

requirements, such as account or investment minimums. We encourage you to ask your Professional whether any investment limitations or account requirements apply.

If your Professional offers you both brokerage and advisory services, your Professional will inform you when he or she offers an investment recommendation or advice, and whether the recommendation or advice is part of a brokerage or advisory service. Some of the key differences between brokerage and investment advisory services are described below.

### Brokerage Services

- Brokerage services include taking your orders and executing your securities transactions; making recommendations for you to buy, sell, or hold securities; and holding your securities for safekeeping (known as having “custody” of your securities).
- In most cases, we provide recommendations to you on specific investments, but you make the final investment decisions for your account. We also have a program available through a limited number of financial institutions in which you make investment decisions on your own without any recommendations from us.
- We don’t monitor brokerage account investments for you, unless we state otherwise in writing.
- We may provide brokerage services (but not investment recommendations) to you if your Professional is providing advisory services through a separate investment advisory firm.

### Investment Advisory Services

- Some of the investment advisory services we offer include wrap fee programs and non-wrap fee programs; mutual fund asset allocation programs; advisory programs offered by third-party investment advisory firms; financial planning services; retirement plan consulting; investment research; digital advice programs; and other custom advisory services.
- You’ll typically grant us discretion to buy and sell investments in your account without asking you in advance. You may limit our discretion, such as by imposing reasonable restrictions on investing in certain securities or groups of securities. In other investment advisory accounts, you grant investment discretion to another financial institution.
- Some of our investment advisory accounts are nondiscretionary, which means you are required to preapprove each investment transaction that we recommend.
- We’ll typically monitor accounts, and specific investments within accounts, on an ongoing basis to align with your investment goals. However, in limited-scope consulting or advisory relationships, we won’t provide ongoing monitoring.

**More detailed information** about our advisory services can be found in the [Form ADV for your advisory program](#). Detailed information about our brokerage services can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

#### **Questions to ask your Professional:**

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

## What fees will I pay?

Investing is an individual journey, and we want to provide you with options. Below we outline the fees you could be charged for both brokerage and advisory accounts depending on your investment

choices. Fee Schedules for our brokerage and advisory programs can be found [lpl.com](http://lpl.com).

### **Fees Associated with Brokerage Services**

- For brokerage services, we charge a transaction-based fee (sometimes referred to as a commission) every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested. The more trades you make, the more transaction-based fees we earn. This creates an incentive to encourage you to trade often.
- For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For investments in bonds, this fee is typically included as part of the price you pay for the investment (called a markup or markdown).
- For investments in certain products like mutual funds, annuities, and alternative investments, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (e.g., sales loads). These fees are based on the amount invested in a product and, depending on the product, may be based on how long you hold the investment. Our receipt of asset-based sales loads creates an incentive to recommend products or sponsors that include such charges.

### **Fees Associated with Investment Advisory Accounts**

- For investment advisory services, we typically charge an ongoing quarterly fee (sometimes referred to as an asset-based fee). This fee is a percentage of the value of your account. You pay this fee even if you don't buy or sell investments. The more assets you have in an asset-based fee account, the more you'll pay us in fees. This creates an incentive to encourage you to increase the size of your account, including by transferring or rolling over assets from other accounts. For some types of accounts, there is a per transaction charge in addition to an asset-based fee. We may also charge an hourly fee or fixed fee for additional services such as financial planning and consulting services that are of limited duration or nature.
- For wrap fee program accounts, you will pay us a single asset-based fee for advisory services. This fee also covers most transaction costs and certain administrative and custodial costs associated with your investments. If you expect to trade infrequently or to pursue a "buy and hold" strategy, a wrap fee program may cost you more than paying for the program's services separately, and you may want to consider a brokerage relationship rather than an advisory relationship.
- The fee you pay to your Professional is generally negotiated with him or her directly, and subject to different maximums, depending on the advisory program selected.

### **Other Fees and Costs**

If applicable to your account, we'll charge you directly for other fees in addition to brokerage commissions and advisory fees, including: (1) account maintenance fees such as custody, trade confirmation processing, corporate actions, and transfer fees; (2) cash management fees such as cash sweep, checking, and wire fees; and (3) investment specific fees such as those for

administration of alternative investments or for foreign securities. See the Fee Schedules for our brokerage and advisory programs at [lpl.com](http://lpl.com) for more information. You should understand that these fees are not charged by us if your investment is in an account that is held directly with the sponsor, and not in an LPL investment account.

You may also incur fees charged by the particular investment product in which you are invested, including mutual funds, ETFs, and other pooled funds, in addition to brokerage commissions and advisory fees charged by us. Some of these fees may be shared, as described below in [Third-Party Payments](#). Certain investment products have significant fees triggered by particular events, e.g., annuities may include mortality, expense, and administrative fees, and fees for excessive transfers or early withdrawals.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Detailed

information on our advisory fees can be found in the [Form ADV for your advisory program](#). Detailed information on our brokerage fees can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#) and, depending on the investment product in which you invest, may be included in the product's prospectus or other offering document. If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

#### ❧ **Questions to ask your Professional:**

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

## What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

*When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means. If you have questions about whether any of these situations could apply to your investments, ask your Professional.*

### **Third-Party Payments**

We receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, annuities, alternative investments, and other investments. This compensation includes ongoing distribution charges (e.g., 12b-1 fees or trail payments), which an investment product charges you and then pays to us. We also receive fees from investment products and/or their sponsors for recordkeeping and other administrative services we provide in relation to your investments. In some accounts we offer, uninvested cash is automatically placed into interest-bearing federally insured bank accounts. We receive fees for your participation in these "cash sweep" programs from the banks sponsoring the programs. The fees we receive are typically higher than the interest you earn on the cash held in the bank accounts and are in addition to any fees you pay to us. This creates an incentive for LPL if you maintain a cash balance in your account. [Revenue sharing payments](#) are another type of third-party compensation we receive from sponsors who participate in our marketing programs. These programs support our product marketing to our Professionals and for education and training efforts, and facilitate communications between sponsors and our Professionals. Finally, certain sponsors pay us to make their investment products available on our platform. Because we receive

payments from these third parties, there is an inherent incentive for us to recommend or invest your assets in those investment products. Detailed information regarding third-party payments can be found in the [Third-Party Compensation and Related Conflicts of Interest](#) document on [lpl.com](http://lpl.com).

### **Principal Trading**

In brokerage accounts, we sometimes directly buy from you or sell to you investments including bonds or certain shares of mutual funds, unit investment trusts (UITs), or alternative investments. These are called principal trades. If the principal trade involves a bond, we receive a markup or markdown by either buying the bond from you at a lower price than we will sell it for or by selling the bond to you at a higher price than we bought it for. That creates an incentive for us to either buy the bond from you at the lowest price possible or sell the bond to you at the highest price possible and maximize our profit on the principal trade. In advisory accounts, purchases of mutual funds, UITs, or alternative investments may be processed through our proprietary account, but we do not receive a markup or markdown in these trades. Also, in certain advisory accounts where a third-party investment advisory firm has discretion, we trade as principal and receive a markup or markdown.

Detailed information on our conflicts of interest can be found in the [Form ADV for your advisory program](#) and in [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to these documents.

#### ❧ **Questions to ask your Professional:**

*How might your conflicts of interest affect me, and how will you address them?*



## How do your financial professionals make money?

Our Professionals are primarily independent contractors, although a portion are employees or employees of an affiliated company. The agreement between each Professional and LPL sets out the payments we make to them. Those who provide investment advisory services receive a portion of the advisory fee you pay. Professionals who provide you brokerage services receive a portion of the commissions or markups/markdowns from your trades. Receiving a portion of the advisory or brokerage fees you pay to us creates an incentive for them to encourage you to increase your investment account size or trade more frequently. We also compensate Professionals based on production, including payments based on the amount of client assets they service and the products they sell. In addition, our Professionals receive different levels of compensation for selling different types of investments or services. This could include, for example, a share of the 12b-1 fees, trail payments, or sales loads paid to us by an investment product. Although your Professional must recommend investment products or manage your account in your best interest, these additional forms of compensation create an incentive for them to recommend specific financial products.

Our Professionals may receive compensation from us in other ways, including:

- Transition assistance if he or she moves to LPL from another company. This assistance can include forgivable loans, advance payment of advisory fees, and/or waiving or reducing other

costs associated with transitioning the Professional's business. This assistance creates an incentive to migrate and maintain business on our platform from another investment platform, and to sell or recommend the sale of investments held in an account if we do not offer those investments.

- Waived or reduced costs and fees (e.g., for administrative services that we provide for your accounts, attending our conferences and events, and free or reduced-cost marketing materials). These waived and reduced costs and fees create an incentive for Professionals to associate with us instead of other financial firms.
- Equity awards in our parent company, LPL Financial Holdings Inc., which give your Professional an incentive to remain with us during the vesting period applicable to his or her stock holdings (the period of time before the stock is unconditionally owned). This also gives the Professional a financial interest in the success of our business.

Your Professional is legally required to act in your best interest and not put his or her interests ahead of your own. We have systems in place to mitigate the conflicts of interest that arise from the way he or she makes money, including systems to review whether a recommendation is in your best interest. More information on compensation can be found at [Brokerage Compensation Information and Related Conflicts of Interest](#). If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for a hyperlink to this document.

## Do you or your financial professionals have legal or disciplinary history?

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research LPL and our Professionals.

### ❏ Questions to ask your Professional:

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

## Additional Information

Please visit the [Disclosures page on lpl.com](#) for more information, including a copy of the agreement for the account and/or program you are considering, the Form ADV Brochure for any advisory program you are considering, detailed information on our brokerage services under [Brokerage Compensation and Related Conflicts of Interest](#), and more information regarding our brokerage and advisory programs under [Third Party Compensation and Related Conflicts of Interest](#).

Please visit the [Investor Regulatory & Educational Resources page](#) on [lpl.com](http://lpl.com) to learn more about how to determine your investment objective and risk tolerance, among other items.

We are affiliated with other investment firms. If your Professional works with Fortigent, LLC, you can find the relationship summary for that firm at [lpl.com/fortigent.html](http://lpl.com/fortigent.html). More information on our affiliations can be found in the [Form ADV for your advisory program](#).

If viewing a paper version of this form, please visit [lpl.com/CRS](http://lpl.com/CRS) for hyperlinks to cross-referenced documents.

**To request up-to-date information or a copy of this relationship summary, please call us at (800) 558-7567.**

We also encourage you to review the general information provided by the U.S. Securities and Exchange Commission regarding investing, choosing an investment professional, and related considerations, available by visiting [Investor.gov](http://Investor.gov).

### ❏ Questions to ask your Professional:

*Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?*



# PART 2A BROCHURE - APPENDIX

## FOR IAR- MANAGED CUSTODIAN PROGRAMS AND OTHER WRAP ACCOUNTS

### Private Advisor Group, LLC

SEC File Number 801-72060

Contact: James Hooks, Chief Compliance Officer  
305 Madison Avenue, PO Box 1820  
Morristown, New Jersey 07962  
(973) 538-7010  
privateadvisorgroup.com

Dated: 3/28/2025

### Item 1 Cover Page

This Wrap Fee Program Brochure ("Brochure") provides information about the qualifications and business practices of Private Advisor Group, LLC ("Registrant"). If you have any questions about the contents of this Brochure, please contact us at (973) 538-7010 or [riacompliance@privateadvisorgroup.com](mailto:riacompliance@privateadvisorgroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Registrant also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

When a registered investment adviser provides investment advisory services, it is a fiduciary under the Investment Advisers Act of 1940 ("Advisers Act") and has a duty to pursue its clients' best interest and to make full and fair disclosure to its clients of all material facts and conflicts of interest. The purpose of our disclosure documents is to disclose those material facts and conflicts of interest.



## Item 2 Material Changes

This section describes all material changes to this Brochure since its last annual update filed on March 15, 2024:

- Item 4 for this Brochure was updated to add the Fidelity Managed Account Exchange (FMAX) program offered through Fidelity Institutional Wealth Adviser LLC,
- While not material, the Registrant also made additional updates throughout this Brochure to enhance readability for clients.

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## Item 4 Services, Fees and Compensation

Private Advisor Group, LLC ("Registrant") is a limited liability company formed on September 2, 2010 in the State of New Jersey. The Registrant became registered as an investment adviser firm with the U.S. Securities and Exchange Commission ("SEC") in January 2011. The Registrant is principally owned by PAG Holdings, LLC which is owned by PAG Partnership Holdco, LLC. PAG Partnership Holdco, LLC is principally owned by PAG Legacy Partners, LLC, and by Merchant Wealth Partners. PAG Legacy Partners, LLC is principally owned by Patrick J. Sullivan, John Hyland, RJ Moore, James Perhacs, James D. Sullivan and Frank Smith. PAG Holdings, LLC is the Registrant's Managing Member.

### A. Investment Advisory Services

The Registrant offers a variety of investment advisory services on a wrap and non-wrap basis. Investment advisory services can be offered on a wrap fee basis through: (1) WealthSuite by Private Advisor Group ("WealthSuite or the "WealthSuite Wrap Fee Program" described in the WealthSuite Wrap Brochure), which are managed portfolios available on the Registrant's platform; (2) the Private Advisor Group Wrap Program (the "Program") or (3) through a variety of managed portfolios or other advisory programs available through the Registrant's custodians ("Custodian Programs", also referred to as "Third Party Advisory Programs"). The Registrant also provides access to TAMPs (turnkey or third-party asset management programs) to its clients. Custodian Programs (or Third Party Advisory Programs) refer to programs where the custodian provides the management of the portfolio or strategy. TAMPs refer to programs provided through a custodian but are also managed by a third party other than the custodian. This Brochure provides a description of the advisory services under the Program, Custodian Programs, and certain TAMPs. You may obtain Form ADV Brochures for the Registrant's other advisory programs, including WealthSuite, at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your investment adviser representative ("IAR").

The Registrant works to provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services to any client, an IAR discusses the client's particular investment objectives and risk tolerances. The IAR (under the Registrant's supervision) allocates each client's investment assets by choosing from programs within WealthSuite, the Program, Custodian Programs or TAMPs in a manner consistent with the client's designated investment objectives and risk tolerances. WealthSuite, the Program, Custodian Programs, and TAMPs differ in that the Registrant participates in varying capacities, whether as portfolio manager, adviser, co-adviser, or solicitor, depending on the program and the needs of or direction provided by its clients. Any custodian or additional adviser involved in providing advice does so in varying capacities as well, including sub-adviser, co-adviser, strategist or other advisory role. Clients should discuss with their IAR what type of relationship and advice they seek from the Registrant, what programs are appropriate for their investment objectives and risk tolerances and, if anyone other than the Registrant is providing investment advice, in what capacity.

Clients can at any time impose certain restrictions in writing on the Registrant's services. Each client is advised that it remains his or her responsibility to promptly notify the Registrant if there is ever any change in his or her financial situation or investment objectives, so the Registrant and its IARs can review and revise Registrant's previous recommendations and services. The Registrant and its IARs will maintain channels of communication with clients to be available to discuss clients' investments, investment objectives and risk tolerances. If the Registrant becomes aware that any activity described in this Brochure is no longer permitted under any relevant law, the Registrant will cease engaging in such activity.

The Registrant recommends to all clients that all client investment funds be held by a broker-dealer or custodian in accounts identified individually to the client and about which the client will receive regular statements from the broker-dealer or custodian. The Registrant does not accept engagements with clients where client funds are pooled into an omnibus account.

This Brochure is provided solely as a disclosure for Registrant's wrap fee programs (other than WealthSuite) where securities transaction fees are included as part of Registrant's overall investment advisory fee (as detailed in Item 5 of the Form ADV, Part 2A Brochure). In addition, Registrant charges advisory fees through certain programs sponsored by its custodians. These wrap fee programs are detailed in the following sections.

### Private Advisor Group Wrap Program

The Registrant is the sponsor and investment manager of the Private Advisor Group Wrap Program (hereinafter the



“Program”). Under the Program, a client is charged a fee based on the percentage of the assets being managed for investment management. Transaction fees would be billed to the Registrant by the custodian. The current annual advisory fee ranges from negotiable to 2.25%, based upon various objective and subjective factors including, but not limited to, the types of assets being managed, the amount of the assets placed under the Registrant’s direct management, the amount of the assets placed under the Registrant’s advisement (assets that are generally managed directly by the client or by other investment professionals engaged by the client, for which the Registrant provides review/monitoring services, but does not have trading authority), the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered. (See also Fee Differential discussion in Additional Information section below). The Registrant includes normal securities transaction fees with its investment advisory fees to provide clients with a single overall fee. Under the Program, the Registrant is authorized by the client in writing to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority must be included in the written agreement between each client and the Registrant. Clients can change these limitations, in writing, at any time. The client shall have reasonable access to one of the Registrant’s IARs to discuss their account.

In Program accounts, Registrant, through its IARs, can provide ongoing investment advice and management on assets in an account separately identified to a client and separately managed on behalf of a client. The custodian for each Program account provides services which include custody of securities, trade execution, clearance, and settlement of transactions. Further details about custodian selection for Program accounts are provided below.

#### **Program Accounts:**

- **Strategic Wealth Management ("SWM II") Wrap Program Accounts**

In the SWM II program at LPL Financial, LLC ("LPL Financial"), the Registrant through its IARs can provide ongoing investment advice and management on assets in an account separately identified to a client and separately managed on behalf of a client on a wrap fee basis. The Registrant provides advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, business development companies (“BDCs”), private equity, real estate investment trusts (“REITs”), equities, and fixed income securities. The Registrant provides advice that is tailored to the individual needs of the client based on the investment objective chosen by the client. Clients can impose restrictions on investing in certain securities or groups of securities by indicating in the client’s account application.

LPL Financial acts as the custodian to SWM II accounts, provides brokerage and execution services as the broker-dealer on transactions, and performs administrative services, such as delivering quarterly performance reports to clients.

- **Other IAR-Managed Wrap Program Accounts**

If a client desires to receive Registrant’s advisory services on a wrap fee basis but directs Registrant to use a custodian other than LPL Financial, client will not open a SWM II account. Instead, Registrant, through its IARs, can provide ongoing investment advice and management on assets in an account separately identified to a client and separately managed on behalf of a client on a wrap fee basis that is carried by a custodian other than LPL Financial. Similar to SWM II accounts, the Registrant provides advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, business development companies (“BDCs”), private equity, real estate investment trusts (“REITs”), equities, and fixed income securities. The Registrant provides advice that is tailored to the individual needs of the client based on the investment objective chosen by the client. Clients can impose restrictions on investing in certain securities or groups of securities by indicating in the client’s account application. In such instances, the following are the custodians outside of LPL Financial currently used by Registrant:

1. Charles Schwab & Co., Inc.
2. Pershing, LLC
3. Fidelity Brokerage Services, LLC
4. SEI Private Trust Company, and
5. AssetMark Trust.



## Custodian Selection and Services

The final decision to custody assets with a particular custodian is made by the Registrant's clients. The Registrant's IARs have significant impact on the decision of which custodian is used. The Registrant does not have custody of client funds or securities. All client investment funds are held by a broker-dealer or custodian in accounts identified individually to the client and about which the client will receive regular statements. Any funds being deposited for investment should be payable to the broker-dealer or custodian where the account is held, not to the Registrant or one of its IARs. Although consolidating client assets in an omnibus account could create some marketplace advantages, the Registrant has determined to adopt a policy of using individual client accounts at an independent custodian to provide greater security and transparency to its clients.

An IAR uses at least one custodian, and certain IARs use multiple custodians. When an IAR who is dually registered with LPL Financial ("Dually Registered Person") wishes to use a custodian other than LPL Financial, the IAR must receive approval by LPL Financial. It is possible that a client may wish their assets to be held by a custodian that the IAR does not have access to, though the Registrant does. In that event, the client could choose to switch IARs in order to access the particular custodian through the Registrant. We note that approval by LPL Financial need only occur for IARs that are Dually Registered Persons. If approved, the client can be serviced but the IAR will incur a fee equal to 5 basis points (0.05%) of the assets under management due to LPL Financial. Although this oversight fee is not directly charged to the client, the IAR will factor in the cost of the oversight fee when determining the advisory fee charged to the client.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer, custodian and or program sponsor for the client accounts. The Registrant has the ability to have its advisory fee for each client debited by the custodians on a quarterly basis. In some cases, payment of fees can be made directly to the Registrant by clients, but never to its IARs. Compensation and fees earned by the Registrant's IARs are adjusted with the goal of mitigating conflicts of interest.

The Registrant can also provide a written periodic report summarizing account activity and performance. Please Note:

- To the extent that the Registrant provides clients with periodic account statements or reports, clients are urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.
- The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## Custodian Wrap Fee Advisory Programs

The Registrant offers investment advisory services on a wrap fee basis through the Custodian Programs. Transaction fees (if any) for client accounts in Custodian Programs are billed to the Registrant by the custodian, rather than to the client. The Registrant's current annual advisory fee ranges from negotiable to 2.25%, based upon various objective and subjective factors including, but not limited to, the types of assets being managed, the amount of the assets placed under the Registrant's advisement (assets that are generally managed directly by the client or by other investment professionals engaged by the client, for which the Registrant provides review/monitoring services, but does not have trading authority), the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered, and additional assets having been placed with the Registrant for management and the likelihood of additional assets being placed with the Registrant for management as a result of the Registrant having a relationship with an association, organization, group or company. (See also Fee Differential discussion below). The terms and conditions for client participation in the advisory programs are set forth in Registrant's advisory agreements and account paperwork for the advisory programs. All prospective advisory program participants should read the Registrant's Part 2A Brochure, this disclosure Brochure and all relevant IAR Brochure supplements, other disclosure documents provided by Registrant and any disclosures or other documentation from the Custodian Programs. All prospective advisory program participants also should ask any questions that they have, prior to participation in the Custodian Programs.

As part of the Custodian Programs, a registered broker-dealer that is a member of FINRA and SIPC will maintain custody of clients' assets and effect trades for their accounts. LPL Financial is the primary custodian, but the Registrant participates in advisory programs sponsored by other investment advisers using custodians other than LPL



Financial. Specific details about each program are determined by the program sponsor and are subject to change. For more information regarding the Custodial Programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and potential conflicts of interest presented by the programs please see the program account packet (which includes the account agreement and Form ADV program brochure) and the Form ADV Part 2A of the applicable program sponsor. Clients should thoroughly review disclosure documents provided about the specific program they are participating in (please see the Custodial Program account packet, which includes the account agreement and Registrant's Form ADV program brochure, and, if applicable, the Form ADV Part 2A of other investment advisers providing services through a Custodian Program).

The following chart and the additional details below are intended as a partial guide to the Custodial Programs available.

## Chart – Overview of Custodian Programs Available

Wrap Program	Custodian(s)	Type of Program	Portfolio Manager	Program Overview	Investment Products
<b>Optimum Market Portfolios ("OMP")</b>	LPL Financial	Model Portfolios	LPL Financial	IAR advises client on model portfolio selection. LPL Financial has discretion to place trades based on the selected portfolio.	Optimum Funds Class I shares
<b>Personal Wealth Portfolios ("PWP")</b>	LPL Financial	Asset Allocation Portfolio	LPL Financial	IAR advises client on asset allocation portfolio selection. LPL Financial has discretion to place trades based on the selected portfolio.	Mutual funds, ETFs, equity and fixed income securities <sup>1</sup>
<b>Model Wealth Portfolios ("MWP")</b>	LPL Financial	Model Portfolios	LPL Financial, third-party manager, and/or PAG IAR	IAR advises client on model portfolio <sup>2</sup> selection. LPL Financial has discretion to place trades based on the selected portfolio.	Mutual funds, ETFs, ETNs, closed-end funds, equity and fixed income securities
<b>Manager Access Select ("MAS")</b>	LPL Financial	Separate Managed Accounts ("SMA Platform") or Model Portfolios ("MP" Platform")	LPL Financial or third-party manager	<i>SMA Platform</i> - IAR advises client on selection of third-party portfolio manager ("SMA Manager"). SMA Portfolio Manager places trades based on client's investment needs.  <i>MP Platform</i> - IAR advises client on model portfolio <sup>3</sup> selection. LPL Financial has discretion to place trades based on the selected portfolio.	Mutual funds, ETFs, options, equity and fixed income securities
<b>Guided Wealth Portfolio ("GWP")</b>	LPL Financial	Automated Asset Allocation Portfolio	LPL Financial and FutureAdvisor, Inc. <sup>4</sup>	IAR advises client on asset allocation portfolio <sup>5</sup> selection. LPL Financial and FutureAdvisor have discretion to place trades based on the selected portfolio, including rebalancing and tax loss harvesting (if applicable).	Mutual funds and ETFs
<b>Fidelity Separate Account Network ("SAN")</b>	Fidelity	Dual Contract	Third-party manager	IAR advises client on selection of third-party portfolio managers ("SAN Manager"). SAN Manager places trades based on client's investment needs.	Refer to the SAN Manager Form ADV Part 2A
<b>Fidelity Managed Account Exchange ("FMAX")</b>	Fidelity	Dual Contract	Third-party manager	IAR advises client on selection select list of investment solutions developed by unaffiliated Investment managers ("FMAX Manager"). FMAX Manager places trades based on client's investment needs.	Refer to the FMAX Form ADV Part 2A



Wrap Program	Custodian(s)	Type of Program	Portfolio Manager	Program Overview	Investment Products
<b>Schwab Institutional Intelligent Portfolios ("IIP")</b>	Charles Schwab & Co., Inc.	Automated Asset Allocation	Registrant	IAR advises client on asset allocation portfolio <sup>6</sup> selection, and IAR manages the portfolio on a discretionary basis.	Mutual funds and ETFs
<b>Investment Adviser Solutions by SEI</b>	SEI Private Trust Company	Asset Allocation Portfolios and Sub-Advisory	SEI Investment Management Corp. ("SIMC")	<p><i>Asset Allocation Portfolios</i> - IAR advises client on asset allocation portfolio selection. SIMC has discretion to place trades based on the selected portfolio.</p> <p><i>Sub-Advised Program</i> - IAR appoints SIMC as sub-advisor. SIMC manages the portfolio on a discretionary basis.</p>	Refer to the SIMC Form ADV Part 2A
<b>AssetMark Platform</b>	AssetMark Trust	Model Portfolios and Individual Managed Accounts	AssetMark, Inc.	<p>IAR advises client on selection of investment solution type, including separately managed model portfolios<sup>8</sup> or individually managed accounts.</p> <p>AssetMark places trades based on client's selected investment solution.</p>	Refer to the AssetMark Form ADV Part 2A

- Equity and fixed income securities are included in the portfolio through investment models ("PWP Models") provided to LPL Financial by third-party money managers. The PWP Models also may include investment company securities. Refer to the LPL Financial PWP Co-Advisory Program Brochure for more information.
- Each model portfolio is designed by LPL Financial, a third-party investment strategist or the Registrant (through its IARs) (each a "Portfolio Strategist" for purposes of MWP program. The Portfolio Strategist is responsible for selecting the securities within a model portfolio and for making changes to the securities selected.
- Each model portfolio is designed by LPL Financial or a third-party investment adviser.
- FutureAdvisor, Inc. is an investment adviser registered with the SEC and a wholly-owned subsidiary of BlackRock, Inc. For more information about FutureAdvisor, please refer to FutureAdvisor's Form ADV Part 2A.
- Each portfolio is designed by LPL Financial, or, in the future, a third-party investment strategist.
- Each portfolio is designed by your IAR. Your IAR uses software (provided to your IAR by an affiliate of Schwab) to automatically trade and rebalance your portfolio when it drifts from the targeted asset allocation by a defined amount.
- A UMA generally can include a combination of individual securities, mutual funds, ETFs, cash, models developed by the IAR, and models developed by third-party providers.
- Each portfolio is designed by AssetMark Investment Management or a third-party investment manager (collectively "Portfolio Strategists").

## ■ LPL Financial, LLC

### LPL Financial Sponsored Advisory Programs

The Registrant provides advisory services to clients through certain programs sponsored by LPL Financial, a registered investment adviser and broker-dealer. Below is a brief description of certain LPL Financial advisory programs available through the Registrant. For more information regarding these programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Part 2A Brochure or the applicable program's Part 2A Brochure and the applicable client agreement.

#### 1. Optimum Market Portfolios Program (OMP)

OMP is a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client authorizes LPL Financial on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. The Registrant will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. The Registrant will have discretion to select a mutual fund asset allocation portfolio designed by LPL Financial consistent with the client's investment objective. LPL Financial will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL Financial will also have authority to rebalance the account. LPL Financial sets a minimum account value for OMP and changing account balances and minimum requirements





affect whether this program is appropriate for a particular client and also affects the fee charged.

2. Personal Wealth Portfolios Program (PWP)

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL Financial. The Registrant will have discretion for selecting the asset allocation model portfolio based on client's investment objective. The Registrant will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL Financial 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 and equity and fixed income securities. LPL Financial sets a minimum account value for PWP and changing account balances and minimum requirements affects whether this program is appropriate for a particular client and also affects the fee charged.

3. Model Wealth Portfolios Program (MWP)

MWP is a professionally managed mutual fund asset allocation program. The Registrant 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. The Registrant will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL Financial's Research Department consistent with the client's stated investment objective. LPL Financial's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected. The client will authorize LPL Financial to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL Financial to effect rebalancing for MWP accounts. The MWP program also offers model portfolios designed by strategists other than LPL Financial's Research Department. The Registrant can choose among the available models designed by LPL Financial and outside strategists. LPL Financial sets a minimum account value for MWP and changing account balances and minimum requirements affects whether this program is appropriate for a particular client and also affects the fee charged.

4. Manager Access Select Program (MAS)

MAS provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. The Registrant will assist client in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL Financial. The Portfolio Manager manages client's assets on a discretionary basis. The Registrant will provide initial and ongoing assistance regarding the Portfolio Manager selection process. LPL Financial and Portfolio Managers set minimum account values for MAS, and changing account balances and minimum requirements affects whether this program is appropriate for a particular client and also affects the fee charged.

5. Guided Wealth Portfolio (GWP)

GWP provides clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell open-end mutual funds and exchange-traded funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("FutureAdvisor"), based upon model portfolios constructed by LPL Financial and selected for the account as described below. 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 the Registrant will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the GWP Program (the "Educational Tool") is provided for a period of up to forty-five (45) days to help users learn about the GWP Program and determine whether they would like to become advisory clients and receive ongoing financial advice from LPL Financial, FutureAdvisor and the Registrant 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 and clients should thoroughly review the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or the Registrant, do not enter into an advisory agreement with LPL Financial, FutureAdvisor or the Registrant, do





not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services.

LPL Financial sets minimum account values for GWP and changing account balances and minimum requirements affects whether this program is appropriate for a particular client and affects the fee charged.

### **LPL Financial Fees, Compensation, and Conflicts of Interest**

The account fee charged to the client for each LPL Financial advisory program is negotiable, and is subject to maximum fees set by LPL Financial. Account fees are payable quarterly in advance.

LPL Financial serves as program sponsor, investment adviser and broker-dealer for the LPL Financial advisory programs. The Registrant and LPL Financial share in the account fee and other fees associated with program accounts. The Master Services Agreement between LPL Financial and the Registrant dated April 1, 2011, as subsequently amended, provides that LPL make certain reimbursements to Registrant. The majority of Registrant's IARs are also registered representatives of LPL Financial ("Dually Registered Persons"). These IARs therefore also receive benefits from LPL Financial such as preferences to attend conferences, stock purchase rights, and other benefits.

Transactions in LPL Financial advisory program accounts are generally effected through LPL Financial as the executing broker-dealer. The Registrant and its IARs receive compensation as a result of a client's participation in an LPL Financial program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation can be more or less than what the Registrant would receive if the client participated in other programs, whether through LPL Financial or another sponsor, or paid separately for investment advice, brokerage and other services.

**Please Note:** Private Trust Company, N.A. affiliation with LPL. LPL Financial is affiliated with Private Trust Company, N.A., a trust company licensed in all 50 states under a national bank charter ("PTC"). To the extent that a client elects to utilize LPL Financial as his or her custodian, LPL Financial will direct client's IRA assets to be held at PTC. As such, clients can incur an Annual IRA maintenance fee charged by PTC. Any Annual IRA maintenance fees incurred by the client shall be in addition to the Registrant's Program fee.

- **Fidelity Brokerage Services LLC**

#### **Fidelity Separate Account Network**

The Registrant provides advisory services with Fidelity Brokerage Services LLC ("Fidelity") as the custodian through Fidelity's Separate Account Network program ("SAN Program"), a unified platform for managed portfolios. The SAN Program enables the Registrant and its IARs to build separately managed account portfolios from a vast network of managers ("SAN Managers") to meet client needs which will be managed by designated SAN Managers on a discretionary basis.

The Registrant and client together determine which SAN Managers to engage. Clients will receive confirmations and statements reflecting all transactions in their account. However, in no circumstances shall the Registrant or its IARs have the discretionary authority to close the account or withdraw funds or securities, with the exception of the Registrant's advisory fees on a quarterly basis.

Clients should refer to the brochure, client agreement and other account paperwork for each investment program for more detailed information about the services available under the program. The minimum investment required by each individual SAN Manager must be met. Please refer to the SAN Manager's Part 2A Brochure or comparable disclosure document provided to you by your IAR.

#### **Fidelity Fees, Compensation, and Conflicts of Interest**

Certain managers participating in the SAN Program require an additional client advisory agreement with the client in addition to the agreement the client signs with the Registrant. For a complete description of the services offered, the programs, the fees charged and minimum account requirements, please refer to the separate disclosure brochure (such as Part 2A of Form ADV) maintained by the SAN Manager as provided by your IAR.

Clients should carefully review these additional disclosure brochures for important and specific details including, among other things, fees, experience, investment objectives and risk guidelines, and disclosure of the money



manager's potential conflicts of interest.

### **Fidelity Institutional Wealth Adviser LLC**

#### **Fidelity Managed Account Exchange**

FMAX, offered through Fidelity Institutional Wealth Adviser LLC ("FIWA"), is a platform with access to a select list of investment solutions including fund strategist portfolios, separately managed accounts, mutual funds, and exchange traded products. Many of the available products are accessed through the use of models developed by investment managers which are not affiliated with the Registrant, and which may or may not be affiliated with FIWA. IARs review the offerings available through FMAX and select the appropriate investment solution(s) for any clients participating in FMAX. IARs may elect whether to use FMAX as a wrap program or non-wrap.

#### **Fidelity Managed Account Exchange Fees, Compensation, and Conflicts of Interest**

For a complete description of the services offered, the programs, the fees charged and minimum account requirements, please refer to the separate disclosure brochure (such as Part 2A of Form ADV) maintained by FMAX as provided by your IAR.

Clients should carefully review these additional disclosure brochures for important and specific details including, among other things, fees, experience, investment objectives and risk guidelines, and disclosure of the potential conflicts of interest associated with FMAX.

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

#### **Schwab Institutional Intelligent Portfolios**

The Registrant provides automated portfolio management services through Institutional Intelligent Portfolios ("IIP"), a technology and service platform made available to Registrant's IARs by Schwab Performance Technologies ("SPT"), an affiliate of Charles Schwab & Co., Inc. ("CS&Co"). Utilizing the IIP Program, the Registrant offers clients a range of investment strategies that the Registrant has constructed and manages, each consisting of a portfolio of exchange traded funds ("ETFs") or mutual funds (collectively "Funds") and a cash allocation (a "Portfolio"). The client can instruct the Registrant to exclude up to three Funds from their portfolio. The client's portfolio is held in an brokerage account opened by the client with CS&Co, a registered broker-dealer that provides custody, trading and support services for client accounts in the IIP program.

The Registrant is independent of and not owned by, affiliated with, or sponsored or supervised by CS&Co, SPT or their affiliates (collectively "Schwab"). The Registrant, and not Schwab, is the client's investment adviser and primary point of contact with respect to the IIP program. The Registrant is solely responsible, and Schwab is not responsible, for determining the appropriateness of the IIP program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis.

The Registrant has contracted with CS&Co to provide Registrant and its IARs with the technology and service platform and related trading and account management services for the IIP program. This platform enables the Registrant to make the IIP program available to clients online and includes a system that automates certain key parts of Registrant's investment process (the "Schwab System").

The Schwab System includes an online questionnaire that helps the Registrant determine the client's investment goals, time horizon and risk profile. The client will then receive Registrant's recommendation of a Portfolio based on client's answers. The client will either accept that recommendation or request that client's Portfolio be made one level more or less risky than the recommendation. The client will then open and fund a brokerage account online with CS&Co, in which the client's Portfolio will be held. However, investment of the client's account will be pending Registrant's final selection of the client's Portfolio. After final Portfolio selection, Registrant will utilize the Schwab System to manage the client's Portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

#### **Schwab Fees, Compensation, and Conflicts of Interest**

The Registrant's fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to Schwab as part of the IIP program. However, Schwab receives revenue from the underlying assets in client



accounts in the IIP program. This revenue comes from Schwab managing the Funds and providing services related to certain third-party funds that can be selected for the Portfolios and from the cash feature on the accounts. Revenue may also be received by Schwab from the market centers where fund trade orders are routed for execution.

The Registrant does not pay SPT fees for the IIP program as long as it maintains \$100 million in client assets in accounts at CS&Co. that are not enrolled in the IIP program. If the Registrant does not meet this condition, then the Registrant pays SPT an annual licensing fee of 0.10% (10 basis points) on the value of its clients' assets in the IIP program. This fee arrangement gives the Registrant an incentive to recommend or require that clients with accounts not enrolled in the IIP program be maintained with CS&Co.

Clients should carefully review account opening agreements, documents and other disclosures provided by Schwab for important and specific details in connection with the IIP program including, among other things, fees and disclosure of Schwab's potential conflicts of interest.

- **SEI Private Trust Company**

**Independent Advisor Solution by SEI**

The Registrant participates in the Independent Advisor Solutions by SEI (the "IAS"), a core business unit of SEI Investments Company, a publicly held company. IAS provides investment management and investment processing platforms to affluent investors through a network of independent registered investment advisors, financial planners, and other investment professionals ("Independent Advisors") in the United States. In addition to the integrated platform of services, IAS also provides Independent Advisors (such as the Registrant) with access to SEI Investment Management Corporation's ("SIMC") investment products and managed account program for use with their end clients. SIMC is an investment adviser registered with the SEC. SEI Private Trust Company ("SPTC") services as custodian for the IAS program.

Through IAS, the Registrant makes available to clients the SEI asset allocation models, a managed account solution, and sub-advisory services provided by SIMC or a third-party investment manager ("Sub-Advised Programs").

- **SEI Asset Allocation Models** – In this models-based program, Clients of Independent Advisors are able to purchase proprietary SEI mutual funds or SEI-managed ETFs in a manner intended to follow SIMC-developed model investment portfolios. SIMC does not have an investment advisory relationship with the client in this program. The Registrant manages the client's model portfolio investments on a discretionary basis.
- **Sub-Advised Programs** - In the Sub-Advised Program, the Registrant can hire SIMC to provide certain discretionary sub-advisory services to the Registrant in connection with the Registrant's clients. SIMC does not have an investment advisory relationship with the client in this program. Equity trades are executed using SEI Investments Distribution Co. ("SIDCO"), SIMC's affiliated broker-dealer.

**SEI Fees, Compensation, and Conflicts of Interest**

The Registrant's fees are not set or supervised by SIMC, SPTC, or their affiliates. In the SEI Asset Allocation Models, clients pay the Registrant's wrap fee and SPTC's custodial platform fee. In the Sub-Advised Programs, clients pay the Registrant's wrap fee which takes into consideration the fee charged to the Registrant by SIMC for its sub-advisory service, equity trade execution by SIDCO, and any advisory services of third-party investment managers hired by SIMC.

Clients should carefully review account opening agreements, documents and other disclosures provided by SIMC and its affiliates for important and specific details in connection with the IAS program including, among other things, fees and disclosure of SIMC's and its affiliates' potential conflicts of interest.

- **AssetMark Trust**

**AssetMark Platform**

The Registrant has entered into an agreement with AssetMark, Inc., an investment adviser registered with the SEC, to access the AssetMark Platform for Registrant's clients. Through the Platform, AssetMark makes available two general solution types:



- **Model Portfolios** – Client accounts are allocated among securities and other investment vehicles on a non-discretionary basis pursuant to Model Portfolios provided by “Portfolio Strategists” (also referred to as “Model Providers”). Model Portfolios include mutual fund and ETF investment strategies and separately managed accounts (“SMA”). SMA Model Portfolios are allocated among securities and other investment vehicles in accordance with the model and are typically selected for a specific asset class. AssetMark will serve as the Overlay Manager with regard to SMA accounts, as described in the AssetMark Form ADV Part 2A.
- **Individually Managed Accounts (“IMA”)** – The client account is managed and individual client account trades are implemented on a discretionary basis by a discretionary manager. For some IMAs, AssetMark serves as the discretionary manager; for others, a third-party manager serves as discretionary manager and AssetMark has no role in trading for the IMA.

### **AssetMark Fees, Compensation, and Conflicts of Interest**

In order to participate in the Platform, the client and the Registrant will enter into a client agreement that outlines the services to be performed by the Registrant, the authority of the Registrant, the compensation payable by the client, and other important provisions governing participation in the Platform. The Registrant’s fees are not set or supervised by AssetMark.

Clients should carefully review account opening agreements, documents and other disclosures provided by AssetMark for important and specific details in connection with the AssetMark Platform including, among other things, fees and disclosure of AssetMark’s potential conflicts of interest.

- **Other Custodian Program Disclosures**

In addition to the Custodian Programs available to Registrant’s clients, the Registrant at times also refers advisory clients to other investment advisory programs not associated with any of the programs described above. These instances are rare but can occur if the client’s needs require an additional strategy. The Registrant’s Chief Compliance Officer remains available to address any questions that a client or prospective has regarding any conflict of interest associated with an investment advisory program.

Please Note: If a client serviced by a Dually Registered Person chooses to utilize a custodian other than LPL Financial, LPL Financial must provide its approval. If approved, the client can be serviced but the client’s Dually Registered Person would incur an oversight fee due to LPL Financial where the Dually Registered Person is placing trades for the account. The oversight fee is equal to 5 basis points (0.05%) of the assets under management in the account. Although this oversight fee is not directly charged to the client, the client’s Dually Registered Person will factor in the cost of the oversight fee when determining the advisory fee charged to the client.

### **Third Party Asset Management Programs (“TAMPs”)**

The Registrant recommends or selects other investment advisers for its clients generally through Third Party Asset Management Programs (“TAMPs”). LPL Financial makes available advisory services and programs of third party investment advisors. Through these TAMPs, the Registrant’s IARs provide ongoing investment advice to clients that is tailored to the individual needs of those clients. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and risk tolerance and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the IAR is available to assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. It is the third party investment adviser (and not Registrant’s IARs) that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client. This authorization will be set out in the TAMP client agreement. The brochure for the particular TAMP will explain whether clients can impose restrictions on investing in certain securities or types of securities. Typically, the TAMP will deduct its advisory or management fee from the client’s account and share a portion of that fee with the Registrant and the Registrant’s IAR. In particular, the Registrant currently offers advisory services through TAMPs sponsored by, among others: AssetMark, Brinker Capital, BTS Asset Management, Envestnet, Flexible Plan Investments, Orion Portfolio Solutions, Manning & Napier, Morningstar Managed Portfolios, SEI Investments Management, Symmetry Partners LLC and Townsquare Capital LLC. Clients should refer to the brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available



under the program.

## Co-Advisory, Referral, and Solicitor Services

The Registrant and its IARs act as referral agents or solicitors on behalf of certain third party investment advisers pursuant to a referral or solicitor agreement. Currently, the Registrant's IARs provide the referred client a disclosure statement regarding the role of the Registrant and its IARs as a referral agent or solicitor, and the client engages the third party investment adviser for advisory services. Please see Item 14 from the ADV 2A Brochure for more information about these referral services and the related compensation.

## Additional Information

- **Fee Differentials:** In certain circumstances, the Registrant can agree with a client that the Registrant can charge a different wrap fee (higher or lower) based upon certain criteria (i.e., complexity of the engagement, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, anticipated level and scope of other services to be provided (i.e. financial planning services), negotiations with client etc.).
- **Fee Calculation:** The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Advisers Act.
- **Fee Payment:** Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees are prorated for accounts opened during the quarter. An additional fee for the current quarter will be assessed if assets are deposited after the beginning of the quarter, prorated based on the number of calendar days remaining in the quarter during which the service will be in effect. No portion of the fee will be credited to the client for the current calendar quarter should any withdrawals from the portfolio occur in the same calendar quarter. However, if a client withdraws assets from the portfolio during the current quarter, the Registrant will credit the client's account in the following quarter (or disburse funds to client in the event the account is closed), prorated based on the number of calendar days remaining in the quarter in which the assets were withdrawn.
- **Non-Investment Consulting/Implementation Services:** If requested by the client, the Registrant can provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Please refer to the 2A Brochure for more information on these services, roles, and any potential conflicts.
- **Inverse/Enhanced Market Strategies:** The Registrant utilizes leveraged long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client can direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/ its accounts.
- **Non-Discretionary Service Limitations:** Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot effect any account transactions without obtaining prior verbal consent from the client for each transaction. Thus, in the event of a market correction during which the client is unavailable, the Registrant will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.
- **Trade Error Policy:** Registrant reimburses accounts for losses resulting from the Registrant's trade errors, but does not credit accounts for such errors resulting in market gains. When applicable, the gains and losses are reconciled within the Registrant's custodian firm account and the Registrant or the custodian retains the net gains and losses.
- **Securities Based Loans and Margin Loans:** Clients can have the opportunity to utilize margin loans in their investment accounts and be offered the opportunity to obtain loans or lines of credit based on or secured by the assets held in their investment accounts. When the Registrant charges a fee based directly or indirectly on the amount of assets under management in an investment account, the Registrant and its IARs have an incentive to maintain a high level of assets in those accounts, and the Registrant and its IARs have a conflict of interest when





they advise a client to utilize a margin loan or a securities based loan or assist the client to obtain such a loan for some specific purpose, rather than advising the client to or assisting the client with withdrawing funds from such an investment account for that specific purpose.

- **Calculation of Advisory Fees Includes Cash Assets:** The Registrant calculates advisory fees on all assets placed under its management, including cash held in advisory accounts. Clients can consent to asset allocations that include certain amounts being held as cash for short or long- term reasons, or can direct that assets be held in cash based on personal risk tolerance or market conditions. The Registrant will calculate advisory fees based on total assets in advisory accounts, and all clients and prospective clients should be guided accordingly. Holding large cash balances for more than six months is not an effective investment strategy and the Registrant discourages clients from using investment accounts in this manner.
- **Non-tradable Assets in Advisory Accounts:** In order to address a client's specific situation, the Registrant can recommend non-tradable assets be purchased in an advisory account. Non-tradable assets such as annuities or structured products are appropriate for certain client needs. The client would not be charged commissions for such investment products, but these products would be subject to the advisory fees calculated based on assets in the accounts. The amount of such assets in a particular account would be limited to a proportion that would not impair the ability of the Registrant to allocate the assets in the account.
- **Ticket Charges/Ticket Fees:** There are conflicts of interest to consider in connection with the selection of mutual funds and a specific transaction cost commonly known as ticket charge or ticket fee associated with each mutual fund transaction. Clients do not pay any ticket charges in their Program accounts and TAMP wrap fee program accounts, but IARs pay these ticket charges to the custodian where the trades occur for each client account.

As background, custodians often make available mutual funds that offer various classes of shares. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes (collectively, "institutional shares" or "institutional share classes") typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. In some instances, a mutual fund offers only Class A Shares, but another similar mutual fund may be available that offers institutional shares.

Whether a mutual fund or a specific share class of a mutual fund incurs a ticket charge often depends on whether the mutual fund or the mutual fund share class has 12b-1 fees (fees paid by the mutual fund to distributors of the funds to cover the cost of distribution and/or shareholder services). For instance where a mutual fund or mutual fund share class has 12b-1 fees can correlate with no ticket charge. Additional fees that could have an impact on whether a mutual fund or mutual share class have a ticket charge or not also include recordkeeping fees to the custodian. Mutual funds and mutual fund share classes with no ticket fees (which can be described as NTF shares) usually have higher fees and expense ratios, and the associated costs would be incurred by the client. Mutual funds and mutual fund shares with ticket fees (which can be described as TF shares) usually have lower fees and expenses, which would lessen the associated fees and expense costs on the client.

As noted above, IARs, not the Registrant, pay these ticket charges with respect to client Program accounts and TAMP wrap fee program accounts. However, in the unlikely event of an IAR failing to make payment to the Custodian, the Registrant can be contractually responsible for the unpaid ticket charges. Clients should understand that the cost to IARs of transaction charges can be a factor that influences IARs when deciding which securities to select and how frequently to place transactions in these accounts. Client should understand that another investment adviser may offer the same mutual fund at a lower overall cost to the investor than is available through the custodial platforms with which the Registrant has relationships.

The Registrant has a policy that IARs recommend the lower cost share class reasonably available at the time through the custodian where a client account is located. Furthermore, the Registrant conducts surveillance to test this policy and maintains a process to reasonably conduct conversions to the lower cost share class, where applicable and possible depending on availability with an individual custodian.

We strongly encourage you to discuss with your IAR whether lower cost share classes are available with a particular custodian or a particular managed account program; why the particular funds or other investments that will be purchased or held in your account are appropriate for you in consideration of their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged; whether you will pay higher internal fund expenses in lieu of transaction





charges that could adversely affect long-term performance; and relevant tax considerations.

- **Termination of Advisory Relationship:** The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Following receipt of notice of termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- **Client Responsibilities:** In performing any of its services, the Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon.

Furthermore, unless the client indicates to the contrary in writing, the Registrant shall assume that there are no restrictions on its services, other than to manage the account in accordance with the client's designated investment objective.

## 401(K) Plan Participants Considering IRA Rollover

A participant in a qualified employer sponsored retirement plan ("Employer Retirement Plan") can roll those assets over into an Individual Retirement Account ("IRA"). Plan participants are encouraged to consider the advantages and disadvantages of an IRA rollover from their existing Employer Retirement Plan. A plan participant leaving an employer typically has four non-exclusive options:

- a. Leave the money in the former Employer Retirement Plan, if permitted;
- b. Transfer the assets to the new employer's plan, if one is available and if rollovers are permitted;
- c. Rollover the assets to an IRA;
- d. Cash out (or distribute) the assets and pay the taxes due.

Investors usually face increased fees when they transfer retirement savings from their current Employer Retirement Plan to an IRA. Investors should be aware that even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration and investment management. In addition to the fees charged by the Registrant or another advisor, the underlying investment products (mutual fund, ETF, annuity, or other investment) typically also charge management fees. Custodial fees also apply. Investing through an IRA managed by the Registrant is more expensive than the current Employer Retirement Plan.

Prior to electing to rollover assets from the current Employer Retirement Plan to an IRA, an investor should consider:

- a. The type of account investment management desired. For example, is assistance in the management of investments desired on a discretionary or non-discretionary basis; or is a self-managed account preferred.
- b. Available investment choices.
- c. The professional assistance available to participants in the current Employer Retirement Plan when compared to the advisory services offered by the Registrant in an advised IRA account.
- d. The cost of advisory fees.
- e. Management expenses associated with the underlying investments in an IRA advisory account in comparison to the underlying investment expenses associated with the current Employer Retirement Plan. Often, the management expenses in the current Employer Retirement Plan are less expensive than in a rollover IRA advisory account.
- f. Custodial charges in the advised IRA account in comparison to the current Employer Retirement Plan.
- g. Transaction charges associated with the advised IRA in comparison to the current Employer Retirement Plan.
- h. The rules pertaining to the required minimum distributions ("RMD") in the current Employer Retirement Plan when compared to the advised IRA.
- i. Legal protections afforded to current Employer Retirement Plan participants in comparison to rollover IRA account owners. Employer Retirement Plans have significant liability protection.
- j. The rules pertaining to beneficiaries of an IRA in comparison to the current Employer Retirement Plan (inherited accounts).
- k. The loan provision associated with the current Employer Retirement Plan, if any. IRA accounts do not have loan provisions.



#### I. Employer Retirement Plans available from a new employer.

Clients and prospective clients are encouraged to consult with an accountant, a tax advisor, the plan administrator and/or legal counsel prior to rolling over assets from the current Employer Retirement Plan to an advised IRA with the Registrant.

**Please Note:** Investment Performance: As a condition to participating in the Program, the participant must accept that past performance cannot be indicative of future results, and understand that the future performance of any specific investment or investment strategy (including the investments and investment strategies purchased through or undertaken by the Registrant) cannot: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance levels or any other performance levels.

#### B. Wrap Fee Compared to Unbundled Services

The Registrant's Program fee includes typical securities trading costs incurred in connection with the discretionary investment management services provided by the Registrant. Whether the fees are paid in advance or arrears depends on the agreement between the client and the Registrant and subject to the limitations of the custodian of the client's account, and/or the terms of the investment advisory agreement. Clients engaging the Registrant under a wrap fee program will typically pay a higher overall investment advisory fee but will not be responsible for securities transaction fees for their accounts. Clients should discuss the expected level of trading in the Client's account[s] to determine whether to engage the Registrant under a wrap fee program or pay for securities transaction fees separately. Depending on (among other things) transaction volume and nature, choosing a wrap fee program may not reduce the expenses that client may incur in comparison to the expenses of other programs or non-wrap fee offerings. Fees can be negotiable at the sole discretion of the Registrant.

#### C. Additional Fees Incurred by Client

The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, fees charged by unaffiliated independent investment managers ("Independent Managers"), transaction charges (excluding mark-ups and mark-downs) resulting from trades effected through or with a broker dealer other than LPL Financial, IRA Maintenance Fees, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee.

In most instances, custodians charge a brokerage commission or transactional fee or an asset-based fee, and based on the investment product selected, that commission or transactional fee or asset-based fee is not identical to other commissions or fees. Other products have higher or lower or zero commissions when compared at the commission or fee level. Most custodians offer mutual funds with transactions fees and mutual funds without transaction fees. Some custodians offer commission-free ETFs.

As noted above, the Registrant participates in several advisory programs with third-parties (e.g., LPL Financial and other custodians) which charge varying levels of program fees. When a client invests through an advisory program, an investment advisory fee is deducted from the assets placed in that advisory program. The advisory program retains a portion of the program fee, and a portion of the program fee is paid to the Registrant and its IARs. The varying levels of program fees provide an incentive or disincentive for the Registrant and its IARs to participate in or to recommend a particular advisory program. The recommendation by an IAR that a client select a particular advisory program presents a conflict of interest, as the IAR's compensation provides an incentive to recommend a particular advisory program. All clients and prospective clients should be aware of these factors in selecting an advisory program and in negotiating an investment advisory fee.

#### D. Additional Compensation Related Conflicts

Registrant's related persons who recommend the Program to clients do not receive compensation as a result of a client's participation in the Program.

### Item 5 Account Requirements and Types of Clients

The Registrant works to provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an IAR will discuss with each client, their particular investment objectives and risk



tolerance. The Registrant shall allocate each client's investment assets consistent with their designated investment objectives and risk tolerance.

The Registrant's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. The Registrant does not generally require an annual minimum fee or asset level for clients to open or maintain a Program account. Custodian Programs may require annual minimum fees and minimum asset levels as indicated above. Clients should refer to the Part 2A and other disclosures for the programs in which they enroll.

## Item 6 Portfolio Manager Selection and Evaluation

### A. Portfolio Manager Selection and Evaluation

The Registrant can allocate a portion of a client's Program assets among Independent Managers in accordance with the client's designated investment objective. In such situations, the Independent Managers shall have day-to-day responsibility for the active discretionary management of the allocated Program assets. The Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending Independent Managers include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

The Registrant conducts an initial review and a limited ongoing review of Independent Managers. The ongoing review is conducted periodically and is generally limited to changes in the Independent Manager's assets under management, new or updated disciplinary disclosures, deficiencies in recent regulatory exams and any findings on recent business continuity plan test. For information on account performance reviews performed by Registrant, please refer to the "Review of Accounts" section in Item 9.

As of December 31, 2024, the Registrant had \$ 37,264,670,686 in Assets Under Management with \$ 9,932,206 managed on a non-discretionary basis and \$ 37,254,738,479 managed on a discretionary basis.

### B. Related Persons

The Registrant or one of its IARs acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant can have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program can be more than what the Registrant would receive if the client paid separately for investment management and transaction fees. As the Program sponsor, the Registrant shall be responsible for the primary management of the Program, including the selection and termination of all Independent Managers. Once selected, Independent Managers shall be responsible for day-to-day management and selection of securities for the account.

### C. Additional Information on Registrant and Supervised Persons

The Registrant's IARs serve as portfolio managers for the advisory programs as described in this Brochure and Registrant's Form ADV Part 2A Brochure. For information on the Registrant's advisory business, please consult Item 4. For information on management of wrap and non-wrap accounts, performance-based fees, side by side management, methods of analysis, investment strategies, risks of loss, and voting client securities, please see below.

#### Management of Wrap and Non-Wrap Accounts

There is no significant difference between how the Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for investment management and transaction fees (See Part 2A Item 4). The services included in a wrap fee agreement will depend upon each client's particular need. Please note: When managing a client's account on a wrap fee basis, the Registrant shall receive, as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program may be more than



what the Registrant would receive if the client paid separately for investment management and transaction fees.

### **Performance Based Fees and Side by Side Management**

The Registrant does not charge performance-based fees.

The Registrant manages more than one client account, often with different mandates or fee structures (side-by-side management). This is a conflict of interest, as it creates a financial incentive for providing preferential treatment to one account over others in terms of allocation of management time, resources, investment opportunities, and trade execution. The Registrant mitigates this conflict of interest by adopting and implementing a Code of Ethics, by disclosing this conflict to clients, and by endeavoring to act in each client's best interest as a fiduciary. Additionally, IARs utilize similar research and resources for their client accounts and aggregate client trades whenever possible.

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

The Registrant utilizes the following methods of analysis

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
- Asset Allocation – (identifying an appropriate ratio of asset classes that are consistent with the client's investment goals and risk tolerance)

The Registrant utilizes the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). While not an all-inclusive list, the following are types of investment risks that could affect the value of your portfolio, depending on the selected investment product(s) and the portfolio of investments:

- **Market Risk.** This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk.** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Liquidity Risk.** This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- **Investment Company Risk.** To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize



taxable gains from transactions in shares of that investment company, which would be taxable when distributed.

- **Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

### Voting Client Securities

The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## Item 7 Client Information Provided to Portfolio Managers

The Registrant shall be the Program's portfolio manager. The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an IAR will discuss with each client his or her particular investment objective. The Registrant shall allocate each client's investment assets consistent with his or her designated investment objective. Clients can, at any time, impose restrictions, in writing, on the Registrant's services.

As indicated above, each client is advised that it remains his or her responsibility to promptly notify the Registrant if there is ever any change in his or her financial situation or investment objectives for the purpose of reviewing or evaluating or revising Registrant's previous recommendations and services. To the extent the Program utilizes Independent Managers, the Registrant shall provide the Independent Managers with each client's particular investment objective. Any changes in the client's financial situation or investment objective reported by the client to the Registrant shall be communicated to the Independent Managers within a reasonable period of time.

## Item 8 Client Contact With Portfolio Managers

There are no restrictions on a client's ability to contact and consult with Registrant or its IARs. Clients always have direct access to Registrant's IARs.

## Item 9 Additional Information

### A. Disciplinary Information and Other Financial Industry Activities and Affiliations

#### 1. Disciplinary Information

Below is a summary of Registrant's material legal and disciplinary events during the last ten years. As of the date of this Brochure, there are no such reportable events for Registrant's senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to Registrant's clients.

#### Securities and Exchange Commission

On July 21, 2022, pursuant to a settlement, in which the Registrant neither admitted or denied to the findings, the SEC issued an administrative order ("the Order") that found, among other things, the Registrant failed to provide full and fair disclosure regarding the conflicts associated with share classes with no transaction fees, or NTF shares, in wrap accounts. The Order found that the Registrant did not fulfill its duty of care and other obligations in connection with the conflict. The Order also found that the Registrant had not adopted and implemented





written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund selection practices in its wrap program and the related disclosures of its associated conflicts of interest. The Order includes findings that Registrant violated Section 206(2) of the Advisers Act, as well as Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. These are not scienter-based violations. As part of the settlement, the Registrant agreed to pay a civil penalty of \$5.8 million, to be disbursed to affected investors, along with other undertakings.

As further highlighted in the Order, in 2017 the Registrant proactively instituted a policy as a remedial measure that mitigated the conflict. The full text of the order is available here.

<https://www.sec.gov/litigation/admin/2022/ia-6069.pdf>.

### State of Pennsylvania

The Registrant paid a \$20,000 administrative penalty in 2017 to the Pennsylvania Department of Banking and Securities for employing an IAR in the state who was not registered with the state.

## 2. Registrant's Other Financial Industry Activities and Affiliations

- **Affiliated Broker-dealer.** PAG Financial, LLC is a FINRA registered broker-dealer, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of PAG Financial, LLC. PAG Financial, LLC does not have any retail or institutional customers, and does not serve as custodian for any investment adviser assets. The Registrant has not identified any conflicts of interest that could impact the Registrant's relationship with its clients but continues to periodically evaluate any potential conflicts of interest that could arise based on this affiliate relationship.
- **Affiliated Investment Adviser.** Private Advisor Network, LLC is an SEC-registered investment adviser, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of Private Advisor Network, LLC. Private Advisor Network, LLC does not have any retail or institutional customers, and is not currently providing advisory services. The Registrant has not identified any conflicts of interest that could impact the Registrant's relationship with its clients but continues to periodically evaluate any potential conflicts of interest that could arise based on this affiliate relationship.
- **Recommendation or Selection of Other Non-Affiliated Investment Advisers.** As described above, the Registrant, when appropriate, recommends or selects other investment advisers for its clients, generally through TAMPs. Certain custodians make available advisory services and programs of third party investment advisers. Through these TAMPs, the Registrant's IARs provide ongoing investment advice to clients that is tailored to the individual needs of the client. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the IAR may assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. The third party investment adviser (and not Registrant's IAR) has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client. This authorization will be set out in the TAMP client agreement. The Brochure for the particular TAMP will explain whether clients may impose restrictions on investing in certain securities or types of securities. Typically, the TAMP will deduct its advisory or management fee from the client's account and share a portion of that fee with the Registrant and the Registrant's IAR. In particular, the Registrant currently offers advisory services through TAMPs sponsored by, among others: AssetMark, Brinker Capital, BTS Asset Management, Envestnet, Flexible Plan Investments, Orion Portfolio Solutions, Manning & Napier, Morningstar Managed Portfolios, SEI Investments Management, Symmetry Partners LLC, and Townsquare Capital LLC. Clients should refer to the Brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available under the program, including any potential conflicts of interest. In addition, the Registrant offers the same or similar TAMPs on a wrap fee basis, which are described in the General Wrap Brochure, a copy of which you may obtain at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your IAR. The Registrant also may refer clients to other investment advisers under a solicitor or promoter arrangement (see Item 14). The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.





- **Other Activities and Affiliations.** The Registrant is required to disclose that it does not engage in certain activities. The Registrant, its management persons, and its IARs, are not registered as a futures commission merchant, commodity pool operator, a commodity trading adviser, or a representative of the same, and no such applications are pending.

### 3. Registrant's IARs Other Financial Industry Activities and Affiliations

- **Affiliations and Activities of Individual IARs**
  - **Registered Representatives of LPL Financial.** Certain of the Registrant's IARs are Dually Registered Persons with LPL Financial, LLC. LPL Financial is an SEC-registered and FINRA member broker-dealer that is independently owned and operated and is not affiliated with the Registrant. Please refer to Item 12 of this Brochure for a discussion of the benefits that Dually Registered Persons can receive from LPL Financial and the conflicts of interest associated with receipt of such benefits. Clients can choose to engage Registrant's Dually Registered Persons in their individual capacities as registered representatives of LPL Financial, to implement investment recommendations on a commission basis.
  - **Licensed Insurance Agents.** Certain of Registrant's IARs, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of Registrant's IARs to purchase insurance products on a commission basis.
    - **Conflict of Interest:** The recommendation by Registrant's IARs that a client purchase a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission-based products from Registrant's IARs. Clients are reminded that they can purchase investment products recommended by Registrant through other, non-affiliated broker-dealers or insurance agents. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
  - **Licensed Attorneys.** Certain of Registrant's IARs are licensed attorneys and may, in their individual capacities, provide legal services to Registrant's clients. To the extent that a client specifically requests legal or estate planning services, the Registrant can recommend the services of an attorney, including certain of Registrant's IARs in their individual capacities as licensed attorneys. Any such legal services shall be rendered independent of the Registrant pursuant to a separate agreement between the client and the attorney. The Registrant shall not receive any of the fees charged by the attorney, referral or otherwise. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
  - **Employees or Affiliates of Banks.** Certain of Registrant's IARs are employees or affiliates of banks, and can recommend the use or purchase of certain bank products or services. **Conflict of Interest:** The recommendation by these IARs that a client use or purchase of certain bank products or services presents a conflict of interest, as a bank employee may have an incentive based on his employment to recommend the use or purchase of certain bank products or services rather than on a particular client's need. No client is under any obligation to use or purchase of any bank products or services. Clients are reminded that they may patronize any bank and are not required to use or purchase any banking products or services recommended by the IAR. In addition, a IAR's employment by a bank does not mean that investments made through him are deposits with the bank, or obligations of the bank or are guaranteed by the bank or any governmental agency. Investments are subject to investment risks, including possible loss of the principal amount invested. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
  - **Other Investment Adviser Firm.** Certain of Registrant's IARs also serve as investment adviser representatives of other registered investment advisers. These IARs may refer certain clients to those other investment advisers for advisory services.
    - **Conflict of Interest:** The recommendation by these IARs that a client engage the investment advisory services of another investment adviser presents a conflict of interest, as these IARs may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of another investment adviser. The Registrant's Chief Compliance Officer remains available



to address any questions that a client or prospective client may have regarding the above conflict of interest.

- **Real Estate broker or dealer.** Certain of Registrant's IARs also serve as real estate brokers or dealers or as owners or investors in real estate investments. These IARs may recommend the purchase, sale, rental of or investment in real estate.
  - **Conflict of Interest:** The recommendation by these IARs of the purchase, sale, rental of or investment in real estate Such advice presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend real estate based on commissions to be received, rather than on a particular client's need. In addition, holding an ownership interest in real estate investment being offered to a client also presents a conflict of interest. No client is under any obligation to purchase or rent any real estate from or invest in real estate with these IARs. Clients are reminded that they may purchase or rent any real estate recommended by these IARs through other real estate agents, and that they may invest in other real estate ventures. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Accountants and Certified Public Accountants.** Certain of Registrant's IARs are accountants, Certified Public Accountants and/or Enrolled Agents. To the extent that these IARs provide accounting services (which may include tax advice) to any clients, including clients of the Registrant, all such services shall be performed by those IARs in their individual professional capacities, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by the IAR (referral or otherwise). It is expected that these IARs, solely incidental to their practices as accountants, may recommend the Registrant's services to certain of their clients. No client of Registrant is under any obligation to use the accounting services of these IARs. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Determining Affiliations and Activities of Individual IARs**
  - Registrant prepares a Form ADV Part 2B Brochure Supplement ("Brochure Supplement") for each of Registrant's IARs, which includes information regarding the IAR's education, business experience, disciplinary information, other business activities, conflicts of interest, additional compensation, and supervision. Registrant's IARs are required to provide clients with a current Brochure Supplement when commencing an advisory relationship. Please contact the Registrant or your IAR if you did not receive your IARs Brochure Supplement. Clients also may obtain additional information about Registrant's IARs, such as licenses, employment history, their regulatory disciplinary information (if any), and whether he or she has received reportable complaints from investors from the SEC at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). To determine whether any of the Registrant's IARs servicing a client's accounts are engaged in any activities that may create a conflict of interest, clients should review the Brochure Supplements for those IARs. Clients of the Registrant have their primary contact with the IAR of the Registrant who brings them onboard as a client. The IAR may recruit the client while with the Registrant, or may have recruited them while the IAR was affiliated with a previous broker-dealer or registered investment adviser, and induced the client to continue that relationship with the IAR when the IAR became affiliated with the Registrant. Registrant's IARs have made individual decisions to affiliate with the Registrant. Because each affiliation decision was made solely based on the business determination of the individual IAR and client, the Registrant may be limited in its ability to negotiate fees, etc., on behalf of its clients.

#### 4. Other Wrap Programs

In addition to the wrap fee programs discussed in this Brochure, the Registrant also sponsors WealthSuite. Clients can obtain a brochure for the WealthSuitewrap fee program by visiting <https://www.privateadvisorgroup.com/page-disclosure-documents/> or contacting our Chief Compliance Officer.

## B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Review of Accounts, Client Referrals and Other Compensation, and Financial Information

### ▪ Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Registrant has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that applies to all



supervised persons of the Registrant, including IARs. Among other things, Registrant's Code of Ethics serves to establish, maintain and enforce (i) a standard of business conduct for all of Registrant's supervised persons that is based upon fundamental principles of openness, integrity, honesty and trust; (ii) compliance by Registrant's supervised persons with Federal securities laws; and (iii) an investment policy relative to personal securities transactions of Registrant's access persons. A copy of the Code of Ethics, which is part of Registrant's Compliance Manual, is available upon request.

In accordance with Section 204A of the Advisers Act, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.

The Registrant and its IARs at times buy or sell securities that are also recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. We address these practices in our Code of Ethics specifically and policies and procedures generally. Policies and procedures address practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation), detecting insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's Access Persons, that is persons who have access to its nonpublic information. The Registrant's securities transaction policy requests that an Access Person of the Registrant provides the Chief Compliance Officer or his designee with access to their current securities holdings as part of the process of becoming an Access Person. Additionally, each Access Person provides the Chief Compliance Officer or his designee with an electronic submission that is akin to a report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

The Registrant can buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

- **Review of Accounts**

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant and its IARs. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. Part of the periodic reviews include whether the client's account type remains in the best interest of the client and, if not, the client can be switched to an account with a different fee structure and investment options.

All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant conducts account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request. A client can request a meeting with their IAR at any time.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian, and from the Registrant in its capacity as program sponsor. The Registrant may also provide a written periodic report summarizing account activity and performance.

- **Client Referrals and Other Compensation**

As referenced above, the Registrant receives an indirect economic benefit from LPL Financial. The Registrant,



without cost (and/or at a discount), receives certain support services and/or products from LPL Financial. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at LPL Financial as a result of this arrangement. There is no corresponding commitment made by the Registrant to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. Other custodians also provide similar indirect economic benefits, support services and products, and do not require higher payments or fees or minimums. The Registrant's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant pays that solicitor a referral fee in accordance with the requirements of the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure document and with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

If the Registrant introduces a client to another investment adviser or an investment manager, the Registrant is usually paid a referral fee in accordance with the requirements pursuant to regulation under the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid according to a fee disclosure statement provided to the client at the time that the referral is made. When the Registrant is acting as an unaffiliated source of referral, the Registrant, at the time of the referral, shall disclose the nature of its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure documents and with a copy of a written disclosure statement disclosing the financial terms of the arrangement between the Registrant and the investment adviser or investment manager receiving the referral, including the compensation to be received by the Registrant.

Registrant has joint marketing agreements with banking institutions such as banks, trust companies, and credit unions. If a client is introduced to the Registrant by a banking institution as a result of these joint marketing agreements, Registrant shares a portion of its investment management fee with that banking institution in accordance with the requirements under the Advisers Act, and other federal and state securities law requirements. Shared fees shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. At the time that the client is introduced to the Registrant by a banking institution, the banking institution shall disclose the nature of its relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure document and with a copy of the written disclosure statement disclosing the terms of the arrangement between the Registrant and the banking institution, including the compensation to be received by the banking institution from the Registrant. Clients should be aware that, even though a banking institution has referred the client to Registrant, any investments managed by the Registrant are not deposits with the banking institution, are not guaranteed by the banking institution, are not guaranteed by any governmental entity, and are subject to the same risks as any other investments and can lose value. Conflict of Interest: The banking institution offers banking products and services that are not services of Registrant, and the banking institution can have a financial incentive to recommend those products and services to the client instead of introducing the client to Registrant.

**Conflicts of Interest:** The Registrant and its Dually Registered Persons have a financial incentive to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 of Registrant's Part 2A Brochure). LPL Financial also provides other compensation to the Registrant and its Dually Registered Persons, including but not limited to, bonus payments, forgivable and non-forgivable loans, stock awards and other benefits. This compensation is based on participation in advisory programs sponsored by LPL Financial and derived from advisory fees paid to LPL Financial.

The receipt of any such compensation creates a financial incentive for your IAR to recommend LPL Financial as



custodian for the assets in your advisory account and as advisory program sponsor. We encourage you to discuss any such conflicts of interest with your IAR before making a decision to custody your assets at LPL Financial.

- **Financial Information**

The Registrant is not required to include its balance sheet for the most recent fiscal year.

The Registrant is unaware of any financial condition that is likely to impair its ability to meet its commitments to clients.

The Registrant has not been the subject of a bankruptcy petition.

## **ANY QUESTIONS?**

The Registrant's Chief Compliance Officer, James Hooks, remains available to address any questions that a client or prospective client can have regarding the above disclosures and arrangements. Should a client or prospective client have any questions, please contact Mr. Hooks at (973) 538-7010.



## WRAP FEE PROGRAM BROCHURE

# PART 2A - WEALTHSUITE

**Private Advisor Group, LLC**

SEC File Number 801-72060

Contact: James Hooks, Chief Compliance Officer  
305 Madison Avenue, PO Box 1820  
Morristown, New Jersey 07962  
(973) 538-7010  
privateadvisorgroup.com

Dated: 3/28/2025

### Item 1 Cover Page

This Wrap Fee Program Brochure ("WS Brochure") provides information about the qualifications and business practices of Private Advisor Group, LLC ("Registrant"). If you have any questions about the contents of the WS Brochure, please contact us at (973) 538-7010 or [riacompliance@privateadvisorgroup.com](mailto:riacompliance@privateadvisorgroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Registrant also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

When a registered investment adviser provides investment advisory services, it is a fiduciary under the Investment Advisers Act of 1940 ("Advisers Act") and has a duty to pursue its clients' best interest and to make full and fair disclosure to its clients of all material facts and conflicts of interest. The purpose of our disclosure documents is to disclose those material facts and conflicts of interest.





## Item 2 Material Changes

This section describes all material changes to this Brochure since its last annual update filed on March 15, 2024:

- On September 28, 2024, the Registrant added First Trust Advisors, L.P, Inc. as a strategist in the program and updated Item 4 accordingly, and added Charles Schwab & Co., Inc. as a custodian for the program and updated Item 4 accordingly.
- In this update, the Registrant added State Street Global Advisors and LoCorr Funds as strategists in the program and updated Item 4 accordingly.
- While not material, the Registrant also made additional updates throughout this Brochure to enhance readability for clients.

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## Item 4 Services, Fees and Compensation

Private Advisor Group, LLC ("Registrant") is a limited liability company formed on September 2, 2010 in the State of New Jersey. The Registrant became registered as an investment adviser firm with the U.S. Securities and Exchange Commission ("SEC") in January 2011. The Registrant is principally owned by PAG Holdings, LLC which is owned by PAG Partnership Holdco, LLC. PAG Partnership Holdco, LLC is principally owned by PAG Legacy Partners, LLC, and by Merchant Wealth Partners. PAG Legacy Partners, LLC is principally owned by Patrick J. Sullivan, John Hyland, RJ Moore, James Perhacs, James D. Sullivan and Frank Smith. PAG Holdings, LLC is the Registrant's Managing Member.

### A. Investment Advisory Services

The Registrant offers a variety of investment advisory services on a wrap or non-wrap basis. Investment advisory services can be offered on a wrap fee basis through: (1) WealthSuite by Private Advisor Group ("WealthSuite" or the "WealthSuite Wrap Fee Program"), which are managed portfolios available on the Registrant's platform; (2) the Private Advisor Group Wrap Program (the "Program"); or (3) through a variety of managed portfolios or other advisory programs available through the Registrant's custodians ("Custodian Programs", also referred to as "Third Party Advisory Programs"). The Registrant also provides access to TAMPs (turnkey or third-party asset management programs) to its clients. Custodian Programs (or Third Party Advisory Programs) refer to programs where the custodian provides the management of the portfolio or strategy. TAMPs refer to programs that are provided through a custodian but are also managed by a third party other than the custodian. This WS Brochure provides a description of the advisory services under the WealthSuite Wrap Fee Program. You may also obtain Form ADV Brochures for the Registrant's other advisory programs, including the Program and Custodian Programs, at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your investment adviser representative ("IAR").

The Registrant works to provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services to any client, an IAR discusses the client's particular investment objectives and risk tolerances. The IAR (under the Registrant's supervision) allocates each client's investment assets by choosing from programs within WealthSuite, the Program, Custodian Programs or TAMPs in a manner consistent with the client's designated investment objectives and risk tolerances. WealthSuite, the Program, Custodian Programs, and TAMPs differ in that the Registrant participates in varying capacities, whether as portfolio manager, adviser, co-adviser, or solicitor, depending on the program and the needs of or direction provided by its clients. Any custodian or additional adviser involved in providing advice does so in varying capacities as well, including sub-adviser, co-adviser, strategist or other advisory role. Clients should discuss with their IAR what type of relationship and advice they seek from the Registrant, what programs are appropriate for their investment objectives and risk tolerances and, if anyone other than the Registrant is providing investment advice, in what capacity.

Clients can at any time impose certain restrictions in writing on the Registrant's services. Each client is advised that it remains his or her responsibility to promptly notify the Registrant if there is ever any change in his or her financial situation or investment objectives, so the Registrant and its IARs can review and revise Registrant's previous recommendations and services. The Registrant and its IARs will maintain channels of communication with clients to be available to discuss clients' investments, investment objectives and risk tolerances. If the Registrant becomes aware that any activity described in this WS Brochure is no longer permitted under any relevant law, the Registrant will cease engaging in such activity.

WealthSuite is a wrap fee separately managed account program sponsored by the Registrant, where the Registrant acts as the portfolio manager. WealthSuite is supported by the technology platforms developed and maintained by Orion Advisor Solutions, Inc., Orion Advisor Technology, LLC, and/or Orion Portfolio Solutions, LLC (collectively, "Orion"). As a wrap fee program, WealthSuite includes securities transaction fees as part of its overall investment advisory fee (as detailed in Item 5 of the Registrant's Form ADV 2A). WealthSuite includes a variety of portfolios, further outlined below. The Registrant offers or co-manages other wrap fee programs, detailed in the Registrant's Form ADV 2A and General Wrap Brochure, but this WS Brochure addresses WealthSuite specifically.

WealthSuite portfolio offerings leverage the advice and expertise of the following strategists (the "Strategists") provided to the Registrant in the form of model portfolios:

1. Fidelity Institutional Wealth Adviser LLC ("Fidelity") (Fidelity Institutional Wealth Adviser LLC is an indirect, wholly owned subsidiary of FMR LLC. As listed below, another division of FMR LLC acts as one of the custodians for WealthSuite.),



2. BlackRock Fund Advisors ("BlackRock"),
3. Invesco Distributors, Inc. ("Invesco"),
4. WisdomTree Asset Management, Inc. ("WisdomTree"),
5. First Trust Advisors, L.P. ("First Trust"),
6. State Street Global Advisors, and
7. LoCorr Funds.

The Registrant's Investment Committee reviews and assesses the model portfolios before implementation as well as on a regular basis.

WealthSuite currently makes two types of portfolios available for clients:

1. WealthSuite portfolios where the Registrant leverages the expertise of Fidelity, BlackRock, Invesco, First Trust, State Street Global Advisors, and LoCorr Funds in their strategist capacities, and where the portfolios are principally comprised of shares of no load mutual funds and exchange-traded funds ("ETFs"). Certain of these portfolios are exclusively comprised of no load mutual funds or ETFs, while some are a combination of no load mutual funds and ETFs.
2. WealthSuite portfolios which leverage WisdomTree's expertise in its strategist capacity that are exclusively comprised of ETFs managed by WisdomTree. As part of WealthSuite, the Registrant offers clients the option to engage Brinker Capital Investments, LLC ("Brinker"), an affiliate of Orion, in a sub-advisory capacity to provide tax managed and direct index strategies ("Brinker strategy"). The Brinker tax management strategies are developed and maintained by Brinker, and offered through Orion as an overlay solution that can be added to a client's WealthSuite portfolios. Clients electing to include the Brinker tax strategy in their WealthSuite portfolio should be aware that the Brinker strategy is customized to individual client needs. Therefore, for each client electing the Brinker strategy, the Registrant will provide individual client information to Brinker to allow it to act as a discretionary sub-advisor to each client account.

Clients should also be aware that the Registrant offers other managed portfolio programs made available through FIWA and/or its affiliates (collectively, "Fidelity") outlined in Registrant's Form ADV 2A and General Wrap Program Brochure. Clients should also be aware that BlackRock, Invesco, Wisdom Tree, First Trust, State Street Global Advisors, and LoCorr Funds offerings are available through other Custodian Programs or TAMPs. Clients are encouraged to discuss comparisons between WealthSuite and other Registrant programs with their IARs. Clients should also note that the Registrant will make available additional program choices within WealthSuite, leveraging the expertise and model portfolios of both existing and additional third-party strategists. Any additional programs will operate in a substantially similar manner within the program.

WealthSuite portfolios are currently available through the following custodians that Registrant has relationships with:

1. LPL Financial
2. Fidelity Brokerage Services LLC, and
3. Charles Schwab & Co., Inc.

From time to time, the Registrant will evaluate whether to make WealthSuite available through additional custodians. While the final decision to custody assets with a particular custodian through WealthSuite is made by the client, IARs have significant impact on the decision of which custodian is used. All client assets are held at one of the custodians in an account in the name of the client. Client assets are never held in an account in the name of the Registrant or an IAR. An IAR uses at least one custodian, and certain IARs use multiple custodians. When an IAR who is also a registered representative of LPL Financial ("Dually Registered Person") wishes to use a custodian other than LPL Financial, the IAR must obtain approval from both Registrant and LPL Financial. It is possible that a client may wish their assets to be held by a custodian that the IAR does not have access to, though the Registrant does. In that event, the client could choose to switch IARs in order to access the particular custodian through the Registrant.

To help the client identify which portfolio would be appropriate (whether a WealthSuite portfolio or for any other advisory account available through the Registrant and outside of WealthSuite), the IAR asks the client for information regarding the client's financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon.



WealthSuite portfolios are made available through the custodians listed above and the program fees are identical across custodians. However, the particular WealthSuite portfolios and strategies available will differ among the custodians. The Registrant also has relationships with additional custodians where WealthSuite portfolios are not available but other managed portfolios are available, at times for a lower or higher fee. The Registrant markets programs beyond those described in this WS Brochure, as other programs could have other benefits or offerings not available through WealthSuite. Clients are encouraged to discuss both WealthSuite and Registrant's other wealth management offerings with their IARs, and to consult the General Wrap Program Brochure and the Form ADV 2A.

Upon Registrant's receipt of all account documents in proper form and receipt by the designated custodian of client's funds, Registrant and the client's IAR will invest client's account in the WealthSuite offerings and, if the client elects it, the Brinker strategy. The initial selection of a WealthSuite account occurs pursuant to non-discretionary advice. However, once the client's account is invested in WealthSuite, the Registrant, through the client's IAR, manages the selection of model portfolios on a discretionary basis. Therefore, the Registrant will manage the Client's account so that it continues to reflect the characteristics of the specific WealthSuite portfolio(s), subject to any reasonable restrictions or special instructions that the client may impose on the management of the account.

The services offered under WealthSuite, and the corresponding terms and conditions pertaining to WealthSuite, are discussed in this WS Brochure, a copy of which is presented to all prospective WealthSuite participants.

### **WealthSuite Program Fee**

Under the WealthSuite Wrap Fee Program, the Registrant's annual investment advisory fee covers investment management and transaction fees, and shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management, to be charged quarterly in advance. The current annual WealthSuite Wrap Fee Program fee ranges from negotiable to 2.25%, based upon various objective and subjective factors, including but not limited to: the amount of the assets placed under the Registrant's direct management; the amount of the assets placed under the Registrant's advisement (assets that are generally managed directly by the client or by other investment professionals engaged by the client, for which the Registrant provides review/ monitoring services but does not have trading authority); the complexity of the engagement; and the level and scope of the overall investment advisory services to be rendered. (See also Fee Differential discussion below). Fees are typically based on the fair market value of portfolio assets under management in the account[s] through the calculation period (average daily balance) or upon the end of the calculation period (end of period balance), but can at times be offered as a fixed quarterly fee subject to the Registrant's discretion. IARs utilizing WealthSuite for his or her clients are assessed a program fee by the Registrant, which decreases as the amount of client assets managed by the IAR in WealthSuite increase. This creates a conflict of interest for the IAR to recommend WealthSuite to his or her clients in order to decrease the cost of the program fee to the IAR.

**Fee Differential:** In certain circumstances, the Registrant can agree with a client that the Registrant can charge a different wrap fee (higher or lower) based upon certain criteria (i.e., complexity of the engagement, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, anticipated level and scope of other services to be provided [i.e. financial planning services], negotiations with client etc.).

## **B. Wrap Fee Compared to Unbundled Services**

The WealthSuite wrap fee includes typical securities trading costs incurred in connection with the discretionary investment management services provided by the Registrant. Clients engaging the Registrant under the WealthSuite Wrap Fee Program will not be responsible for securities transaction fees for their accounts. However, the total costs for each of the services provided through the WealthSuite Wrap Fee Program, if purchased separately, could be more or less than the cost of the WealthSuite wrap fee depending on a number of factors, including the level of trading activity in the client's account. Clients should discuss the expected level of trading in the client's account(s) to determine whether to engage the Registrant under the WealthSuite Wrap Fee Program or pay for securities transaction fees separately. Depending on (among other things) transaction volume and nature, choosing WealthSuite may not reduce the expenses that client may incur in comparison to the expenses of other programs. Fees can be negotiable at the sole discretion of the Registrant.

## **C. Additional Fees Incurred by Client**

Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge), and/or tax ramifications. The Registrant's fees are



exclusive of brokerage commissions, transaction fees, markups, markdowns, and other related costs and expenses which shall be incurred by the client. Clients will incur certain charges imposed by custodians, brokers, and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees, electronic fund fees, and other fees and taxes on brokerage accounts/securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Registrant's fees. The Registrant does not receive any part of these fees.

## D. Additional Compensation Related Conflicts

**Conflict of interest:** WealthSuite is a proprietary program of the Registrant. As a result, the Registrant receives a higher percentage of the revenue from WealthSuite than it would with other portfolio management programs, such as the ones managed or sponsored by others (including the Custodian Programs or TAMPs). Generally, IARs (as opposed to the Registrant) are primarily responsible for assisting clients on the selection of the WealthSuite product, as opposed to a non-proprietary program. IARs are primarily responsible for this type of decision regardless of whether the client selects WealthSuite or a non-Registrant program. The conflict of interest arising from the fact that WealthSuite is a proprietary product of the Registrant is mitigated because the IAR (as opposed to the Registrant) selects the program, as well as the fact that IARs do not directly receive a portion of the revenue that the Registrant receives from WealthSuite. Furthermore, WealthSuite has lower asset management fees than certain Custodian Programs or TAMPs. As a result, clients investing in non-WealthSuite products usually pay higher asset management fees.

Additionally, a conflict of interest arises from Fidelity, BlackRock, WisdomTree, First Trust, State Street Global Advisors and LoCorr Funds payments to the Registrant of a share of revenue, pursuant to each of their agreements to provide model portfolios to the Registrant that the Registrant leverages as part of WealthSuite. In turn, Registrant uses the payments to offset the cost of the technology platform (maintained by Orion) that allows the delivery of WealthSuite to clients, as well as to IARs to utilize with clients. There can be differences in the mutual fund share classes available through different custodians, though PAG requires that WealthSuite strategists select the lowest cost share classes available.

As noted above, the relationships with Fidelity, BlackRock, WisdomTree, First Trust, State Street Global Advisors and LoCorr Funds present a conflict of interest in connection with the Fidelity, BlackRock, Invesco, WisdomTree, First Trust, State Street Global Advisors and LoCorr Funds payments to the Registrant of a share of revenue. A similar conflict of interest also arises in connection with Invesco, which also makes a payment to the Registrant of a share of revenue. However, pursuant to the agreement between the Registrant and Invesco to provide model portfolios to Registrant, Invesco begins to make the payment of a share of revenue to the Registrant only when the WealthSuite portfolios holds a certain threshold of shares of Invesco no-load mutual funds and ETFs held. This threshold is calculated based on the annual rate of the net asset value of these shares (no-load mutual funds and ETFs) and is calculated as a total of assets across WealthSuite portfolios (not on a per-portfolio basis). The Registrant uses any share of revenue from its relationship with Invesco to offset the cost of the technology platform (maintained by Orion) that allows the delivery of WealthSuite to clients, as well as to IARs to utilize with clients.

## Item 5 Account Requirements and Types of Clients

The Registrant offers the WealthSuite Wrap Fee Program to any of its clients including individuals, high net worth individuals, trusts, estates, businesses, and charitable organizations. The Registrant imposes a minimum account size for establishing a relationship of \$25,000, and \$100,000 for clients that wish to use the Brinker strategy. The Registrant has the discretion to accept initial investments of a lesser amount than the minimums.

## Item 6 Portfolio Manager Selection and Evaluation

### A. Portfolio Manager Selection and Evaluation

WealthSuite is a wrap fee separately managed account program sponsored by the Registrant, where the Registrant acts as the portfolio manager. WealthSuite portfolio offerings leverage the advice and expertise that FIWA, BlackRock and WisdomTree provide to the Registrant in the form of model portfolios. The Registrant's Investment Committee reviews and assesses the model portfolios before implementation as well as on a periodic basis.



As part of WealthSuite, Brinker serves as a sub-adviser to clients that have elected the Brinker strategy. Brinker manages specified client accounts in light of a client's particular objectives, tax considerations, and other information provided to Brinker. Clients are able to select from a range of investment mandates, such as traditional market asset classes, factor strategies, thematic portfolios, and SRI/ESG offerings, and personalize their portfolios to meet specific needs such as holding restrictions, industry/country limitations, and situation-appropriate tax needs. This creates a conflict of interest because Registrant is incentivized to promote Brinker in return for payments when Brinker is the exclusive provider to WealthSuite client accounts for tax managed strategies. Registrant also participates in a revenue share agreement with Brinker pursuant to which Brinker pays a percentage of the investment advisory fees earned by Brinker on any of Registrant's clients' assets invested in the Brinker strategies. This creates a conflict of interest because Registrant receives additional compensation from client accounts utilizing the Brinker strategies.

For additional information on WealthSuite's and Registrant's advisory business, please see Item 4 above.

As of December 31, 2024, the Registrant had \$ 37,264,670,686 in Assets Under Management with \$ 9,932,206 managed on a non-discretionary basis and \$ 37,254,738,479 managed on a discretionary basis.

## B. Related Persons

The Registrant acts as the portfolio manager for the WealthSuite Wrap Fee Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant can have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in WealthSuite can be more than what the Registrant would receive if the client paid separately for investment management and transaction fees. As the WealthSuite Wrap Fee Program sponsor, the Registrant shall be responsible for the primary management of WealthSuite, including the selection and termination of all third-party investment managers. Once selected, third-party investment managers shall be responsible for day-to-day management and selection of securities for the account.

## C. Additional Information on WealthSuite

The Registrant serves as the portfolio manager for WealthSuite as described in this WS Brochure and the Registrant's Form ADV Part 2A Brochure. For information on the Registrant's advisory business, please consult Item 4. For information on management of wrap and non-wrap accounts, performance-based fees, side by side management, methods of analysis, investment strategies, risks of loss, and voting client securities, please see below.

### Management of Wrap and Non-Wrap Accounts

There is no significant difference between how the Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for investment management and transaction fees (See Part 2A Item 4). The services included in a wrap fee agreement will depend upon each client's particular needs. Please note: When managing a client's account on a wrap fee basis, the Registrant shall receive, as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in WealthSuite may be more than what the Registrant would receive if the client paid separately for investment management and transaction fees.

### Performance Based Fees and Side-by-Side Management

The Registrant does not charge performance-based fees.

The Registrant manages more than one client account, often with different mandates or fee structures (side-by-side management). This is a conflict of interest, as it creates a financial incentive for providing preferential treatment to one account over others in terms of allocation of management time, resources, investment opportunities, and trade execution. The Registrant mitigates this conflict of interest by adopting and implementing a Code of Ethics, by disclosing this conflict to clients, and by endeavoring to act in each client's best interest as a fiduciary. Additionally, IARs utilize similar research and resources for their client accounts and aggregate client trades whenever possible.





## Methods of Analysis, Investment Strategies and Risk of Loss

The Registrant utilizes the following methods of analysis

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
- Asset Allocation - (identifying an appropriate ratio of asset classes that are consistent with the client's investment goals and risk tolerance)

The Registrant utilizes the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

**Please Note:** Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). While not an all-inclusive list, the following are types of investment risks that could affect the value of your portfolio, depending on the selected investment product(s) and the portfolio of investments:

- **Market Risk.** This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk.** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Liquidity Risk.** This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- **Investment Company Risk.** To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- **Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in



the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

### **Voting Client Securities**

The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 7 Client Information Provided to Portfolio Managers**

The Registrant is the sponsor for the WealthSuite Wrap Program and does not share client information of WealthSuite clients with anyone other than Registrant's IARs because Registrant is the sole portfolio manager for the WealthSuite Wrap Fee Program. Please also see the Registrant's Privacy Notice located at <https://www.privateadvisorgroup.com/pag-disclosure-documents/>.

## **Item 8 Client Contact with Portfolio Managers**

There are no restrictions on a client's ability to contact and consult with Registrant or its IARs. Clients always have direct access to Registrant's IARs.

## **Item 9 Additional Information**

### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

#### **Disciplinary Information**

Below is a summary of Registrant's material legal and disciplinary events during the last ten years. As of the date of this Brochure, there are no such reportable events for Registrant's senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to Registrant's clients.

#### **Securities and Exchange Commission**

On July 21, 2022, pursuant to a settlement, in which the Registrant neither admitted or denied to the findings, the SEC issued an administrative order ("the Order") that found, among other things, the Registrant failed to provide full and fair disclosure regarding the conflicts associated with share classes with no transaction fees, or NTF shares, in wrap accounts. The Order found that the Registrant did not fulfill its duty of care and other obligations in connection with the conflict. The Order also found that the Registrant had not adopted and implemented written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund selection practices in its wrap program and the related disclosures of its associated conflicts of interest. The Order includes findings that Registrant violated Section 206(2) of the Advisers Act, as well as Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. These are not scienter-based violations. As part of the settlement, the Registrant agreed to pay a civil penalty of \$5.8 million, to be disbursed to affected investors, along with other undertakings.

As further highlighted in the Order, in 2017 the Registrant proactively instituted a policy as a remedial measure that mitigated the conflict. The full text of the order is available here:

<https://www.sec.gov/litigation/admin/2022/ia-6069.pdf>.

#### **State of Pennsylvania**

The Registrant paid a \$20,000 administrative penalty in 2017 to the Pennsylvania Department of Banking and Securities for employing an IAR in the state who was not registered with the state.

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

PAG Financial, LLC is a FINRA registered broker-dealer, and is under common control with the Registrant. PAG



Holdings, LLC owns 100% of PAG Financial, LLC. PAG Financial, LLC does not have any retail or institutional customers, and does not serve as custodian for any investment assets.

Private Advisor Network, LLC is an SEC-registered investment adviser, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of Private Advisor Network, LLC. Private Advisor Network, LLC does not have any retail or institutional customers, and is not currently providing advisory services.

Certain of the Registrant's IARs are Dually Registered Persons with LPL Financial. LPL Financial is an SEC registered and FINRA member broker-dealer that is independently owned and operated and is not affiliated with the Registrant. Please refer to Item 12 for a discussion of the benefits that Dually Registered Persons may receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

The Registrant, its management persons, and its IARs are not registered (and does/do not have an application pending to register) as a futures commission merchant, commodity pool operator, commodity trading advisor, or representative of the same.

### **Registrant's IARs' Other Financial Industry Activities and Affiliations**

- **Registered Representatives of LPL Financial.** Clients can choose to engage Registrant's Dually Registered Persons in their individual capacities as registered representatives of LPL Financial to implement investment recommendations on a commission basis.
- **Licensed Insurance Agents.** Certain of Registrant's IARs in their individual capacities are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage certain of Registrant's IARs to purchase insurance products on a commission basis.
  - **Conflict of Interest:** The recommendation by Registrant's IARs that a client purchase a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission-based products from Registrant's IARs. Clients are reminded that they can purchase investment products recommended by Registrant through other, non-affiliated broker-dealers or insurance agents. The Registrant's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Licensed Attorneys.** Certain of Registrant's IARs are licensed attorneys and may, in their individual capacities, provide legal services to Registrant's clients. To the extent that a client specifically requests legal or estate planning services, the Registrant can recommend the services of an attorney, including certain of Registrant's IARs in their individual capacities as licensed attorneys. Any such legal services shall be rendered independent of the Registrant pursuant to a separate agreement between the client and the attorney. The Registrant shall not receive any of the fees charged by the attorney, referral or otherwise. The Registrant's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Employees or Affiliates of Banks.** Certain of Registrant's IARs are employees or affiliates of banks, and can recommend the use or purchase of certain bank products or services.
  - **Conflict of Interest:** The recommendation by these IARs that a client use or purchase certain bank products or services presents a conflict of interest, as a bank employee may have an incentive based on his employment to recommend the use or purchase of certain bank products or services rather than on a particular client's need. No client is under any obligation to use or purchase any bank products or services. Clients are reminded that they may patronize any bank and are not required to use or purchase any banking products or services recommended by the IAR. In addition, a IAR's employment by a bank does not mean that investments made through him are deposits with the bank, or obligations of the bank or are guaranteed by the bank or any governmental agency. Investments are subject to investment risks, including possible loss of the principal amount invested. The Registrant's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Other Investment Adviser Firm.** Certain of Registrant's IARs also serve as IARs of other registered investment advisors. These IARs may refer certain clients to those other investment advisers for advisory



services.

- **Conflicts of Interest:** The recommendation by these IARs that a client engage the investment advisory services of another investment adviser presents a conflict of interest, as these IARs may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of another investment adviser. The Registrant's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Real Estate Broker or Dealer.** Certain of Registrant's IARs also serve as real estate brokers or dealers or as owners or investors in real estate investments.
  - **Conflicts of Interest:** The recommendation by these IARs of the purchase, sale, rental of, or investment in real estate. Such advice presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend real estate based on commissions to be received, rather than on a particular client's need. In addition, holding an ownership interest in real estate investment being offered to a client also presents a conflict of interest. No client is under any obligation to purchase or rent any real estate from or invest in real estate with these IARs. Clients are reminded that they may purchase or rent any real estate recommended by these IARs through other real estate agents and that they may invest in other real estate ventures. The Registrant's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- **Accountants and Certified Public Accountants.** Certain of Registrant's IARs are accountants, Certified Public Accountants and/or Enrolled Agents. To the extent that these IARs provide accounting services (which may include tax advice) to any clients, including clients of the Registrant, all such services shall be performed by those IARs in their individual professional capacities, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by the IAR (referral or otherwise). It is expected that these IARs, solely incidental to their practices as accountants, may recommend the Registrant's services to certain of their clients. No client of Registrant is under any obligation to use the accounting services of these IARs. The Registrant's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above conflict of interest.

### IARs' Brochure Supplements

Registrant's IARs are required to provide clients with a current Form ADV Part 2B ("Brochure Supplement"), which includes information regarding the IAR's education, business experience, disciplinary information, other business activities, additional compensation, and supervision. Please contact the Registrant or your IAR if you did not receive your IARs Brochure Supplement. Clients also may obtain additional information about Registrant's IARs, such as licenses, employment history, their regulatory disciplinary information (if any), and whether he or she has received reportable complaints from investors from the SEC at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). To determine whether any of the Registrant's IARs servicing a client's accounts are engaged in any activities that may create a conflict of interest, clients should review the Brochure Supplements for those IARs. Clients of the Registrant have their primary contact with the IAR of the Registrant who brings them onboard as a client. The IAR may recruit the client while with the Registrant, or may have recruited them while the IAR was affiliated with a previous broker-dealer or registered investment advisor, and induced the client to continue that relationship with the IAR when the IAR became affiliated with the Registrant. IARs of the Registrant have made individual decisions to affiliate with the Registrant. Because each affiliation decision was made solely based on the business determination of the individual IAR and client, the Registrant may be limited in its ability to negotiate fees, etc., on behalf of its clients.

### Recommending or Selecting Other Investment Advisers

The Registrant may recommend or select other investment advisers for its clients generally through TAMPs. LPL Financial makes available advisory services and programs of third party investment advisors. Through these TAMPs, the Registrant's IARs provide ongoing investment advice to clients that is tailored to the individual needs of the client. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the IAR may assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. It is the third party investment advisor (and not Registrant's IAR) that has client authority to purchase and sell securities on a discretionary or non-discretionary



basis pursuant to investment objective chosen by the client.

This authorization will be set out in the TAMP client agreement. The Brochure for the particular TAMP will explain whether clients may impose restrictions on investing in certain securities or types of securities. In particular, the Registrant currently offers advisory services through TAMPs sponsored by, among others: AssetMark, Brinker Capital, BTS Asset Management, Envestnet, Flexible Plan Investments, Orion Portfolio Solutions, Manning & Napier, Morningstar Managed Portfolios, SEI Investments Management, and Symmetry Partners LLC. Clients should refer to the Brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available under the program.

### **Other Wrap Programs**

The Registrant participates in additional wrap programs, including the Program, Custodian Programs and TAMPs. Clients can obtain a Brochure by visiting [www.privateadvisorgroup.com/pag-disclosure-documents/](http://www.privateadvisorgroup.com/pag-disclosure-documents/) or contacting our Chief Compliance Officer.

## **B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Review of Accounts, Client Referrals and Other Compensation, and Financial Information**

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

The Registrant has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that applies to all supervised persons of the Registrant, including IARs. Among other things, Registrant's Code of Ethics serves to establish, maintain and enforce (i) a standard of business conduct for all of Registrant's supervised persons that is based upon fundamental principles of openness, integrity, honesty and trust; (ii) compliance by Registrant's supervised persons with Federal securities laws; and (iii) an investment policy relative to personal securities transactions of Registrant's access persons. A copy of the Code of Ethics, which is part of Registrant's Compliance Manual, is available upon request.

In accordance with Section 204A of the Advisers Act, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts securities in which the Registrant or any related person of Registrant has a material financial interest.

The Registrant and its IARs at times buy or sell securities that are also recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. We address these practices in our Code of Ethics specifically and policies and procedures generally. Policies and procedures address practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation), detecting insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's Access Persons, that is persons who have access to its nonpublic information. The Registrant's securities transaction policy requests that an Access Person of the Registrant provides the Chief Compliance Officer or his designee with access to their current securities holdings as part of the process of becoming an Access Person. Additionally, each Access Person provides the Chief Compliance Officer or his designee with an electronic submission that is akin to a report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

The Registrant can buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

### **■ Review of Accounts**





For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant and its IARs. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. Part of the periodic reviews include whether the client's account type remains in the best interest of the client and, if not, the client can be switched to an account with a different fee structure and investment options.

All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant conducts account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request. A client can request a meeting with their IAR at any time.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian. The Registrant may also provide to client a written periodic report prepared by the custodian summarizing account activity and performance.

- **Client Referrals and Other Compensation**

As referenced above, the Registrant receives an indirect economic benefit from LPL Financial. The Registrant, without cost (and/or at a discount), receives certain support services and/or products from LPL Financial. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at LPL Financial as a result of this arrangement. There is no corresponding commitment made by the Registrant to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. Other custodians also provide similar indirect economic benefits, support services and products, and do not require higher payments or fees or minimums. The Registrant's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

If a client is introduced to the Registrant by either an unaffiliated or affiliated solicitor, Registrant pays that solicitor a referral fee in accordance with the requirements of the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure document and with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

If the Registrant introduces a client to another investment adviser or an investment manager, the Registrant is usually paid a referral fee in accordance with the requirements pursuant to regulation under the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid according to a fee disclosure statement provided to the client at the time that the referral is made. When the Registrant is acting as an unaffiliated source of referral, the Registrant at the time of the referral shall disclose the nature of its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure documents and with a copy of a written disclosure statement disclosing the financial terms of the arrangement between the Registrant and the investment adviser or investment manager receiving the referral, including the compensation to be received by the Registrant.

**Conflicts of Interest:** The Registrant and its Dually Registered Persons have a financial incentive to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance. LPL Financial also provides other compensation to the Registrant and its Dually Registered Persons, including but not limited to, bonus payments, forgivable and non-forgivable loans, stock awards and other benefits. This compensation is based on participation in advisory programs sponsored by LPL Financial and derived from advisory fees paid to LPL Financial.

The receipt of any such compensation creates a financial incentive for your IAR to recommend LPL Financial as custodian for the assets in your advisory account and as advisory program sponsor. We encourage you to discuss





any such conflicts of interest with your IAR before making a decision to custody your assets at LPL Financial.

- **Financial Information**

The Registrant is not required to include its balance sheet for the most recent fiscal year.

The Registrant is unaware of any financial condition that is likely to impair its ability to meet its commitments to clients.

The Registrant has not been the subject of a bankruptcy petition.

## ANY QUESTIONS?

The Registrant's Chief Compliance Officer, James Hooks, is available to address any questions that a client or prospective client can have regarding the above disclosures and arrangements. Should a client or prospective client have any questions, please contact Mr. Hooks at (973) 538-7010.



## PART 2A BROCHURE

### Private Advisor Group, LLC

SEC File Number 801-72060

Contact: James Hooks, Chief Compliance Officer  
305 Madison Avenue, PO Box 1820  
Morristown, New Jersey 07962  
(973) 538-7010  
[privateadvisorgroup.com](http://privateadvisorgroup.com)

Dated: 3/28/2025

### Item 1 Cover Page

This brochure ("Brochure") provides information about the qualifications and business practices of Private Advisor Group, LLC ("Registrant"). If you have any questions about the contents of this Brochure, please contact us at (973) 538-7010 or [riacompliance@privateadvisorgroup.com](mailto:riacompliance@privateadvisorgroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Registrant also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

When a registered investment adviser provides investment advisory services, it is a fiduciary under the Investment Advisers Act of 1940 ("Advisers Act") and has a duty to pursue its clients' best interest and to make full and fair disclosure to its clients of all material facts and conflicts of interest. The purpose of our disclosure documents is to disclose those material facts and conflicts of interest.



## Item 2 Material Changes

This section describes all material changes to this Brochure since its last annual update filed on March 15, 2024:

- On September 28, 2024, the Registrant added First Trust Advisors, L.P, Inc. as a strategist in the WealthSuite program and updated Item 4 of our WealthSuite Brochure accordingly, and added Charles Schwab & Co., Inc. as a custodian for the program and updated Item 4 of our WealthSuite Brochure accordingly.
- Item 4 was updated with information on cash sweep programs offered by the Registrant’s custodians.
- Item 14 was revised to include additional information on gifts, entertainment, and support that the Registrant, its IARs, and employees receive from product sponsors, other compensation provided by the Registrant to its IARs, the Registrant’s ownership of certain doing-business-as entities operated by the Registrant’s IARs, and outside business activities in which the Registrant’s IARs are permitted to engage.
- The Registrant’s WealthSuite Brochure was updated to add State Street Global Advisors and LoCorr Funds as strategists in the program and updated Item 4 accordingly.
- The Registrant’s Wrap Fee Brochure was updated to add the Fidelity Managed Account Exchange (FMAX) program offered through Fidelity Institutional Wealth Adviser LLC
- While not material, the Registrant also made additional updates throughout this Brochure to enhance readability for clients.

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## Item 4 Advisory Business

Private Advisor Group, LLC ("Registrant") is a limited liability company formed on September 2, 2010 in the State of New Jersey. The Registrant became registered as an investment adviser firm with the U.S. Securities and Exchange Commission ("SEC") in January 2011. The Registrant is principally owned by PAG Holdings, LLC which is owned by PAG Partnership Holdco, LLC. PAG Partnership Holdco, LLC is principally owned by PAG Legacy Partners, LLC, and by Merchant Wealth Partners. PAG Legacy Partners, LLC is principally owned by Patrick J. Sullivan, John Hyland, RJ Moore, James Perhacs, James D. Sullivan and Frank Smith. PAG Holdings, LLC is the Registrant's Managing Member.

### A. Investment Advisory Services

The Registrant and its investment adviser representatives ("IARs") offer a variety of discretionary and/or non-discretionary investment advisory services on a wrap or non-wrap fee basis. This Brochure describes the advisory programs and advisory services offered by the Registrant on a non-wrap fee basis.

#### IAR Advisory Services

When providing investment services, Registrant acts as a fiduciary and has a duty to advise the Client as a prudent person would in accordance with the Client's investment objectives and risk tolerance, and to pursue the Client's best interests. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.):

- Investment advisory services, which can be provided on a discretionary or nondiscretionary basis. Discretionary advisory services are available on a wrap and non-wrap-free basis;
- Retirement plan consulting; and
- Financial planning and related consulting services.

The Registrant works to provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an IAR discusses the client's particular investment objectives and risk tolerances. The IAR (under the Registrant's supervision) will assess the information provided by the client to determine which advisory programs or advisory services offered through the Registrant, if any, are appropriate to recommend. The Registrant's advisory programs and services differ in that the Registrant and its IARs participate in varying capacities, whether as portfolio manager, adviser, co-adviser, or solicitor, depending on the program and the needs of or direction provided by its clients. Any custodian or additional adviser involved in providing advice does so in varying capacities as well, including sub-adviser, co-adviser, strategist or other advisory role. In addition, not all programs or services available through the Registrant are available through all of the Registrant's IARs. Clients should discuss with their IAR what type of relationship and advice they seek from the Registrant, the programs and services available through their IAR, what programs are appropriate for their investment objectives and risk tolerances and, if anyone other than the Registrant is providing investment advice, in what capacity each party is acting. Clients select a portfolio manager with the help of their IAR. Clients can select either (1) their IAR to act as their portfolio manager, (2) another person or entity to act as their portfolio manager from among the programs available through the Registrant, or (3) the WealthSuite program offered by the Registrant where the Registrant acts as portfolio manager. Clients may select more than one portfolio manager and assign different assets to each portfolio manager. Regardless of the portfolio manager selected, the IAR will serve as the communication channel for the client and the Registrant will supervise the relationship. Where the client selects WealthSuite as portfolio manager, the Registrant's WealthSuite Investment Committee acts as supervisor.

Clients can at any time impose certain restrictions in writing on the Registrant's services. Each client is advised that it remains his or her responsibility to promptly notify the Registrant if there is ever any change in his or her financial situation or investment objectives, so the Registrant and its IARs can review and revise Registrant's previous recommendations and services. The Registrant and its IARs will maintain channels of communication with clients to be available to discuss clients' investments, investment objectives and risk tolerances. To the extent the Registrant utilizes a third-party manager, the Registrant shall provide the third-party manager with each client's particular investment objective and risk tolerance. Any changes in the client's financial situation or investment objectives reported by the client to the Registrant shall be communicated to the third-party manager within a reasonable period of time.

If the Registrant becomes aware that any activity described in this Brochure is no longer permitted under any



relevant law, the Registrant will cease engaging in such activity.

### Wrap Fee Advisory Programs

The Registrant is a wrap fee program sponsor, and participates in wrap fee programs sponsored by other firms. In a wrap fee account, a client is charged a single bundled fee as a percentage of the assets managed in the wrap fee program that can include advisory fees, transaction fees, and other expenses related to the wrap fee program.

The Registrant offers advisory programs and advisory services on a wrap fee basis through: (1) WealthSuite by Private Advisor Group ("WealthSuite"); (2) the Private Advisor Group Wrap Program (the "Program") or (3) through a variety of managed portfolios or other advisory programs available through the Registrant's custodians ("Custodian Programs", also referred to as "Third Party Advisory Programs"). The Registrant also provides access to TAMPs (turnkey or third-party asset management programs) to its clients on wrap fee basis. The Registrant's wrap fee programs are described in detail in the Registrant's WS Brochure and General Wrap Brochure (see below for a description of each). Each client will be provided with a copy of the appropriate brochure before or at the time of the client entering into any such advisory program, which provide detailed information, disclosures, and potential conflicts of interest related to each wrap fee program offered through the Registrant.

- **WealthSuite Wrap Fee Brochure ("WS Brochure")** - WealthSuite is a wrap fee program sponsored by the Registrant, in which the Registrant offers managed portfolios on a discretionary basis. The WealthSuite program is further described in the WS Brochure, a copy of which you may obtain at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your IAR.
- **PAG Wrap Fee Brochure ("General Wrap Brochure")** - Through the Program, the Registrant's IARs advise clients on their account assets on a wrap fee basis. In addition to the Program, the Registrant offers the Custodian Programs and TAMPs on a wrap fee basis. Each of these wrap fee programs are further described in the General Wrap Brochure, a copy of which you may obtain at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your IAR.

The Registrant also offers clients access to wrap fee programs by other firms for which the Registrant is neither a sponsor nor compensated by the sponsor.

- **Managed Account Solutions by SEI ("MAS")** - Through our relationship with SEI Investment Management Corp. ("SIMC"), the Registrant offers MAS, a wrap fee program sponsored by SIMC. The Registrant's advisory fee is separate from the wrap fee charged by SIMC for MAS. Under MAS, the client enters into a tri-party investment management agreement ("Managed Account Agreement"), which explains each party's responsibilities and provides for the management of client assets allocated to MAS in accordance with the terms of the Managed Account Agreement. Through this agreement, the client appoints the Registrant as their investment adviser to assist the client in selecting an appropriate investment strategy for their portfolio. In MAS, clients pay a bundled wrap fee to SIMC for its advisory services, the trade execution provided by SIMC's affiliate SEI Investments Distribution Co. ("SIDCO"), a registered broker-dealer. The Registrant's fee for its advisory services is separate from the fees charged to the client by SIMC, and SIMC does not establish, review or approve the Registrant's fee (see Item 5 for more details on the Registrant's fee). For additional detail on MAS, clients should review the current SIMC Wrap Fee Program Brochure: Managed Account Solutions – Independent Advisor Solutions by SEI (available at <https://adviserinfo.sec.gov/firm/brochure/105146>), and any agreements or other disclosure documents provided to client in connection with MAS.

### IAR-Managed Program Wrap Accounts and Non-wrap Accounts

There is no significant difference between how the Registrant's IARs manage wrap fee accounts and IAR-managed non-wrap fee accounts. However, as stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for investment management and transaction fees. The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage the Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately.

**Please note:** When managing a client's Program account on a wrap fee basis, the Registrant shall receive, as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Inasmuch as the execution costs for transactions effected in the client account



will be paid by the Registrant, a potential conflict of interest arises in that the Registrant has a potential disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program may be more than what the Registrant would receive if the client paid separately for investment management and transaction fees.

### **Financial Planning and Consulting Services**

To the extent requested by a client, the Registrant can provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$150 to \$400 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant recommends the services of other professionals for implementation purposes, including the Registrant's IARs in their individual capacities as registered representatives of LPL Financial and as licensed insurance agents. (See disclosures in Item 10). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

- Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.
- Please Also Note: It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his or her or its financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and services.

### **Discretion on Held-away Assets**

When requested by the client, the Registrant can provide discretionary investment management and periodic monitoring by leveraging the order management system provided by Pontera (formerly FeeX) with respect to certain accounts (primarily 401(k) participant accounts, health savings accounts and other assets identified by the client) held with custodians other than those referenced in Item 12 ("Held-Away Management Services"). In such instances, the Registrant will regularly review the available investment options in these accounts, monitor them, and rebalance and implement its strategies as necessary in the same manner as if such accounts were held with a custodian referenced in Item 12.

This fee will be assessed and billed quarterly. Specifically, the exact amount charged is determined by the daily average over the course of the quarter. The current exception for this is directly-managed held-away accounts, which are determined by the account value at the end of the quarter. In either case, if the Adviser only manages your assets for part of a quarter, the charge will be prorated. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart and applying the fee to the daily average of the account value or the account value as of the last day of the previous quarter (per the paragraph above), resulting in a combined weighted fee. For example, an account valued at \$2,000,000 would pay an effective fee of 1% with the annual fee being \$20,000 (billed as a quarterly fee of \$5,000). Investment management fees are generally directly debited on a pro rata basis from client accounts. The exception for this is directly-managed held-away accounts, such as 401(k)'s. As it is impossible to directly debit the fees from these accounts, those fees will be assigned to the client's taxable accounts on a pro-rata basis. If the client does not have a taxable account, those fees will be billed directly to the client. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

### **American Funds 529-F-2 Direct-at-fund Program**

The Registrant has entered into an agreement with American Funds Service Company ("AFS") through which it makes available to clients the 529-F-2 Direct-at-Fund program. The program is a non-discretionary, fee-based program that facilitates investments into American Funds' 529-F-2 share class offerings directly held at the





American Funds. AFS serves as the transfer agent for the program, and provides quarterly statements with automated fee-debiting. Shares in this class do not have upfront or a contingent deferred sales charges and do not carry a 12b-1 fee but may have slightly higher administrative costs than other share classes. Clients in this program should consult the fund's prospectus to have a better understanding of the costs and expenses of the specific mutual fund, including the expenses of the 529-F-2 share class.

### **Third Party Asset Management Programs ("TAMPS")**

The Registrant recommends or selects other investment advisers for its clients generally through Third Party Asset Management Programs ("TAMPS"). LPL Financial makes available advisory services and programs of third party investment advisers. Through these TAMPS, the Registrant's IARs provide ongoing investment advice to clients that is tailored to the individual needs of those clients. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and risk tolerance and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the IAR is available to assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. It is the third party investment adviser (and not Registrant's IARs) that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client. This authorization will be set out in the TAMP client agreement. The brochure for the particular TAMP will explain whether clients can impose restrictions on investing in certain securities or types of securities. In particular, the Registrant currently offers advisory services through TAMPS sponsored by, among others: AssetMark, Brinker Capital, BTS Asset Management, Envestnet, Flexible Plan Investments, Orion Portfolio Solutions, Manning & Napier, Morningstar Managed Portfolios, SEI Investments Management, Symmetry Partners LLC and Townsquare Capital LLC.

Clients should refer to the brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available under the program. In addition, the Registrant offers the same or similar TAMPS on a wrap fee basis, which are described in the General Wrap Brochure, a copy of which you may obtain at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your IAR.

### **Trust Services Through National Advisors Trust Company**

The Registrant has engaged for a fixed annual fee with National Advisors Holdings, Inc. ("NAH") and its related companies including a federally chartered trust company, "National Advisors Trust Company" (NATC") and a South Dakota chartered trust company National Advisors Trust of South Dakota, Inc. ("NATSD"), The Office of Comptroller of the Currency regulates NAH and NATC and the South Dakota Department of Labor and Regulation regulates NATSD. The trust company was formed by advisors to provide a low cost alternative to traditional trust service providers, and the Registrant may refer clients to NATC for trust and custodial services when appropriate.

### **Co-advisory, Referral and Solicitor Services**

The Registrant and its IARs act as referral agents or solicitors on behalf of certain third party investment advisers pursuant to a referral or solicitor agreement. Currently, the Registrant's IAR provides the referred client a disclosure statement regarding the role of the Registrant and its IAR as a referral agent or solicitor, and the client engages the third party investment adviser for advisory services. Please see Item 14 below for more information about these referral services and the related compensation.

### **Retirement Plan Consulting Services**

The Registrant's IARs, at times, assist clients that are trustees of retirement plans or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or advisory services. IARs perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment managers or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to the IAR.



- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations, for consideration and selection by client, about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.
- Training for the members of the Plan Committee with regard to their service on the Committee, including education and consulting with respect to fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, IARs generally provide participants with information about the Plan, which includes information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.
- Assistance with investment education seminars and meetings for Plan participants. These meetings occur on a group or individual basis, and include information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Assistance at client's direction in making changes to investment options under the Plan.
- As part of the ongoing investment recommendation service set out above, assistance in identifying investment options in connection with the "broad range" requirement of Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA").
- As part of the ongoing investment recommendation service set out above, assistance in identifying an investment fund product or model portfolio in connection with the definition of a "Qualified Default Investment Alternative" ("QDIA") under ERISA.
- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.
- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.
- When engaged by the Plan or the participant to do so, IARs meet at times with Plan participants, upon reasonable request, to collect information necessary to identify Plan participants' investment objectives, risk tolerance, time horizon, etc. Advisor will provide recommendations to assist the participant with his/her Plan account. Plan participants retain sole discretion over the investment decisions in their accounts and sole responsibility for implementing investment decisions in their accounts.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, IARs do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan have the option to invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or can obtain participant loans, IARs do not usually provide any individualized advice or recommendations to the participants regarding these decisions. Furthermore, unless engaged by the Plan or the participant to do so, IARs do not provide individualized investment advice to Plan participants regarding their Plan assets.

If a client elects to engage the Registrant and its IARs to perform ongoing investment monitoring and ongoing investment recommendation services in the client agreement, such services will constitute "investment advice" under Section 3(21)(A) of ERISA. Therefore, Registrant and its IARs will be deemed a "fiduciary" as such term is defined under Section 3(21)(ii) of ERISA in connection with those services. Clients should understand that to the extent Registrant and its IARs are engaged to perform services other than ongoing investment monitoring and



recommendations, those services are not “investment advice” under ERISA and therefore, Registrant and its IARs will not be a “fiduciary” under ERISA with respect to those other services.

If a client elects to engage the Registrant and its IARs to perform discretionary investment management services in the client agreement, such services will be performed as an “investment manager” under Section 3(38) of ERISA. Therefore, Registrant and its IARs will be deemed a “fiduciary” as such term is defined under Section 3(38) of ERISA in connection with those services. Clients should understand that to the extent Registrant and its IARs are engaged to perform services other than ongoing investment management, the Registrant is not acting as an “investment manager” under ERISA and therefore, Registrant and its IARs will not be a “fiduciary” under ERISA with respect to those other services.

#### **Additional Information**

##### **a. Non-Investment Consulting/ Implementation Services.**

If requested by the client, the Registrant can provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc.

The Registrant does not serve as an accountant and no portion of the Registrant’s services should be construed as same. Certain of Registrant’s IARs are accountants, in their individual capacities, separate and apart from the Registrant, and any services or advice rendered in that capacity is not provided by or through the Registrant.

The Registrant does not serve as an attorney and no portion of the Registrant’s services should be construed as same. Certain of Registrant’s IARs are attorneys, in their individual capacities, separate and apart from the Registrant, and any services or advice rendered in that capacity is not provided by or through the Registrant.

The Registrant does not sell insurance and no portion of the Registrant’s services should be construed as same. Certain of Registrant’s IARs are licensed to sell insurance, in their individual capacities, separate and apart from the Registrant, and any such sale of insurance in that capacity is not provided by or through the Registrant.

The Registrant has engaged for a fixed annual fee with DPL Financial Partners, LLC (“DPL”) to obtain membership access to DPL’s platform of insurance consultation services. Through its licensed insurance agents, who are also registered representatives of The Leaders Group, Inc. (“The Leaders Group”), an unaffiliated SEC-registered broker-dealer and FINRA member, DPL offers members a variety of services relating to insurance products. These services include, among others, providing members with analyses of their current methodology for evaluating client insurance needs, educating and acting as a resource to members regarding insurance products generally and specific insurance products owned by their clients or that their clients are considering purchasing, and providing members access to, and marketing support for, commission free products that insurers have agreed to offer to members’ clients through DPL’s platform. For providing platform services, DPL receives service fees from the insurers that offer their products through the platform. These service fees are based on the insurance premiums received by the insurers from DPL members’ clients, and the premiums paid to the insurance companies may be higher or lower and the features of the policies may be different from those that could be purchased elsewhere. DPL is licensed as an insurance producer in Kentucky and other jurisdictions where required to perform the platform services. Its representatives are also licensed as insurance producers, appointed as insurance agents of the insurers offering their products through the platform, and registered representatives of The Leaders Group.

To the extent requested by a client, the Registrant can recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including IARs of the Registrant in their separate registered/licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.



Please Also Note: It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his or her or its financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and services.

**b. Inverse/Enhanced Market Strategies.**

The Registrant utilizes leveraged long and short mutual funds and/ or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/ or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/ or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client can direct the Registrant, in writing, not to employ any or all such strategies for the client's accounts.

**c. Fee Differentials.**

As indicated above, the Registrant prices its services based upon various objective and subjective factors. As a result, Registrant's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory and/or consulting services to be rendered. As a result of these factors, the services to be provided by the Registrant to any particular client could be available from other investment advisers at lower fees. All clients and prospective clients should be guided accordingly.

**d. Advisory Program Cost Differentials.**

The Registrant participates in several advisory programs with third-parties (e.g., LPL Financial and other custodians), including the Custodian Programs and TAMP Programs, which charge varying levels of program fees. When a client invests through such advisory programs, an investment advisory or management fee is deducted from the assets placed in that advisory program. The advisory program retains a portion of the program fee, and a portion of the program fee is paid to the Registrant and its IAR. The varying levels of program fees provide an incentive or disincentive for the Registrant and its IARs to participate in or to recommend a particular advisory program. The recommendation by a IAR that a client select a particular advisory program presents a conflict of interest, as the IAR's compensation provides an incentive to recommend a particular advisory program. All clients and prospective clients should be aware of these factors in selecting an advisory program and in negotiating an investment advisory fee. The Registrant's Custodian Programs are further described in the General Wrap Brochure, a copy of which you may obtain at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your IAR.

**e. Calculation of Advisory Fees Includes Cash Assets.**

The Registrant calculates advisory fees on all assets placed under its management, including cash held in advisory accounts. Clients can consent to asset allocations that include certain amounts being held as cash for short or long-term reasons, or can direct that assets be held in cash based on personal risk tolerance or market conditions. The Registrant will calculate advisory fees based on total assets in advisory accounts, and all clients and prospective clients should be guided accordingly. Holding large cash balances for more than six months is not an effective investment strategy and the Registrant discourages clients from using investment accounts in this manner.

**f. Non-Discretionary Service Limitations.**

Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot effect any account transactions without obtaining prior verbal consent from the client for each transaction. Thus, in the event of a market correction during which the client is unavailable, the Registrant will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

**g. Trade Error Policy.**

Registrant reimburses accounts for losses resulting from the Registrant's trade errors, but does not credit accounts for such errors resulting in market gains. When applicable, the gains and losses are reconciled within



the Registrant's custodian firm account and the Registrant or the custodian retains the net gains and losses.

**h. Client Obligations.**

In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his or her or its financial situation or investment objectives for the purpose of reviewing, /evaluating /or revising Registrant's previous recommendations and services.

**i. Disclosure Statement.**

A copy of the Registrant's written disclosure statement as set forth in its Part 2A Brochure, Wrap Program Brochure, WealthSuite Brochure and Part 2B Brochure Supplements for appropriate IARs and its Privacy Notice shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement.

**j. Brokerage Commissions and/or Transaction Fee Differentials.**

In most instances, custodians charge a brokerage commission or transactional fee or an asset-based fee, and based on the investment product selected, that commission or transactional fee or asset-based fee is not identical to other commissions or fees. Other products have higher or lower or zero commissions when compared at the commission or fee level. Most custodians offer mutual funds with transactions fees and mutual funds without transaction fees. Some custodians offer commission-free ETFs. Clients can inquire as to whether a transaction incurred a transaction cost.

**k. Securities-based Loans and Margin Loans.**

Clients can have the opportunity to utilize margin loans in their investment accounts and be offered the opportunity to obtain loans or lines of credit based on or secured by the assets held in their investment accounts. When the Registrant charges a fee based directly or indirectly on the amount of assets under management in an investment account, the Registrant and its IARs have an incentive to maintain a high level of assets in those accounts, and the Registrant and its IARs have a conflict of interest when they advise a client to utilize a margin loan or a securities based loan or assist the client to obtain such a loan for some specific purpose, rather than advising the client to or assisting the client with withdrawing funds from such an investment account for that specific purpose.

**l. Non-tradable Assets in Advisory Accounts.**

In order to address a client's specific situation, the Registrant can recommend non-tradable assets be purchased in an advisory account. Non-tradable assets such as annuities or structured products are appropriate for certain client needs. The client would not be charged commissions for such investment products, but these products would be subject to the advisory fees calculated based on assets in the accounts. The amount of such assets in a particular account would be limited to a proportion that would not impair the ability of the Registrant to allocate the assets in the account.

**m. Custodian Cash Sweep Programs**

Custodians operate cash sweep programs, where uninvested client funds are automatically deposited or "swept" to depository accounts at financial institutions. The interest rate paid to Clients by the custodian for assets held in sweep accounts may vary significantly from custodian to custodian and can be significantly less than the rate of return available in non-sweep accounts. You should consider the impact of cash and cash equivalents on your overall portfolio and whether you could receive more favorable rates of return by investing in other asset classes, including alternatives to cash such as money market mutual funds and treasury bills.

**401(K) Plan Participants Considering IAR Rollover**

A participant in a qualified employer sponsored retirement plan ("Employer Retirement Plan") can roll those assets over into an Individual Retirement Account ("IRA"). Plan participants are encouraged to consider the advantages and disadvantages of an IRA rollover from their existing Employer Retirement Plan. A plan participant leaving an employer typically has four non-exclusive options:

- Leave the money in the former Employer Retirement Plan, if permitted;





- Transfer the assets to the new employer's plan, if one is available and if rollovers are permitted;
- Rollover the assets to an IRA;
- Cash out (or distribute) the assets and pay the taxes due.

Investors usually face increased fees when they transfer retirement savings from their current Employer Retirement Plan to an IRA. Investors should be aware that even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration and investment management. In addition to the fees charged by the Registrant or another advisor, the underlying investment products (mutual fund, ETF, annuity, or other investment) typically also charge management fees. Custodial fees also apply. Investing through an IRA managed by the Registrant is more expensive than the current Employer Retirement Plan.

Prior to electing to rollover assets from the current Employer Retirement Plan to an IRA, an investor should consider:

- The type of account investment management desired. For example, is assistance in the management of investments desired on a discretionary or non-discretionary basis; or is a self-managed account preferred.
- Available investment choices.
- The professional assistance available to participants in the current Employer Retirement Plan when compared to the advisory services offered by the Registrant in an advised IRA account.
- The cost of advisory fees.
- Management expenses associated with the underlying investments in an IRA advisory account in comparison to the underlying investment expenses associated with the current Employer Retirement Plan. Often, the management expenses in the current Employer Retirement Plan are less expensive than in a rollover IRA advisory account.
- Custodial charges in the advised IRA account in comparison to the current Employer Retirement Plan.
- Transaction charges associated with the advised IRA in comparison to the current Employer Retirement Plan.
- The rules pertaining to the required minimum distributions ("RMD") in the current Employer Retirement Plan when compared to the advised IRA.
- Legal protections afforded to current Employer Retirement Plan participants in comparison to rollover IRA account owners. Employer Retirement Plans have significant liability protection.
- The rules pertaining to beneficiaries of an IRA in comparison to the current Employer Retirement Plan (inherited accounts).
- The loan provision associated with the current Employer Retirement Plan, if any. IRA accounts do not have loan provisions.
- Employer Retirement Plans available from a new employer.
- Clients and prospective clients are encouraged to consult with an accountant, a tax advisor, the plan administrator and/or legal counsel prior to rolling over assets from the current Employer Retirement Plan to an advised IRA with the Registrant.

## B. Assets Under Management

As of December 31, 2024, the Registrant had \$ 37,264,670,686 in Assets Under Management with \$ 9,932,206 managed on a non-discretionary basis and \$ 37,254,738,479 managed on a discretionary basis.

## Item 5 Fees and Compensation

### A. General Discussion of Fees

The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a wrap or non-wrap fee basis.

The Registrant generally charges a fee based on a percentage of the assets to be managed, which is typically negotiated between the client and the IAR within a range set by the Registrant. Agreeing to a fee based on a





percentage of the assets to be managed creates a disincentive for the Registrant or its IARs to perform additional work for a client because that work will not increase the compensation to be paid. The Registrant can agree to charge a fixed or flat fee for its services, charging a specific dollar amount for a specific time period. Agreeing to a fixed fee creates a conflict of interest where the Registrant or its IARs have no incentive to perform additional work for the client since the Registrant and its IARs will earn no additional compensation for that work. The Registrant can also agree to charge an hourly fee for all time spent working on the client's behalf. Agreeing to an hourly fee can create a conflict of interest where the Registrant or its IARs have an incentive to perform additional work for the client because it will earn additional compensation for any additional work. The Registrant supervises its IARs and these types of fee arrangements to mitigate these types of conflicts of interest.

## **B. Investment Advisory Services Fees**

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a non-wrap fee basis, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management to be charged quarterly in advance, and Registrant's IARs have discretion to negotiate a fee with a maximum of 2.00% (two percent). Registrant's annual investment advisory fee shall include investment management.

The client can negotiate the annual advisory fee based upon various objective and subjective factors including, but not limited to, the types of assets being managed, the amount of the assets placed under the Registrant's direct management, the amount of the assets placed under the Registrant's advisement (assets that are generally managed directly by the client or by other investment professionals engaged by the client, for which the Registrant provides review/monitoring services, but does not have trading authority), the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered, and additional assets having been placed with the advisor for management and the likelihood of additional assets being placed with the advisor for management as a result of the advisor having a relationship with an association, organization, group or company.

Client accounts will be billed by the custodian directly for brokerage commissions and/or transaction fees charged by the custodian. The Registrant has the option to mutually agree with a client to charge that client a flat fee, not based on a percentage of value and assets under the Registrant's management but rather a specific dollar amount for a particular set of services for a specific period of time or for the duration of the relationship. As part of this alternative fee, the Registrant at times also agrees to charge a client an hourly fee for a particular set of services.

Fees for the Registrant's wrap fee programs are discussed in the WS Brochure and General Wrap Brochure, available at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your IAR.

## **C. Financial Planning and Consulting Services Fees**

To the extent requested by a client, the Registrant provides financial planning or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable on a fixed fee basis or on an hourly rate basis, depending upon the level and scope of the services required and the professionals rendering the services.

The financial planning or consulting services and the charge for those services will be set forth in a separate written agreement with the client. Fees for these services should be paid to the Registrant as stated in the Registrant's standard agreement.

## **D. Ticket Charges/Ticket Fees**

There are conflicts of interest to consider in connection with the selection of mutual funds and a specific transaction cost commonly known as ticket charge or ticket fee associated with each mutual fund transaction. Clients do not pay any ticket charges in their Program accounts or TAMP wrap fee program accounts, but IARs pay these ticket charges to the custodian where the trades occur for each client account.

As background, custodians often make available mutual funds that offer various classes of shares. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes (collectively, "institutional shares" or "institutional share classes") typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. In some instances, a mutual fund offers only Class A Shares, but another similar mutual fund may be available that offers institutional shares.



Whether a mutual fund or a specific share class of a mutual fund incurs a ticket charge often depends on whether the mutual fund or the mutual fund share class has 12b-1 fees (fees paid by the mutual fund to distributors of the funds to cover the cost of distribution and/or shareholder services). For instance where a mutual fund or mutual fund share class has 12b-1 fees can correlate with no ticket charge. Additional fees that could have an impact on whether a mutual fund or mutual share class have a ticket charge or not also include recordkeeping fees to the custodian. Mutual funds and mutual fund share classes with no ticket fees (which can be described as NTF shares) usually have higher fees and expense ratios, and the associated costs would be incurred by the client. Mutual funds and mutual fund shares with ticket fees (which can be described as TF shares) usually have lower fees and expenses, which would lessen the associated fees and expense costs on the client. IARs will generally pay lower fees to custodians in the event that Clients hold NTF shares rather than TF shares; this presents a conflict of interest for certain IARs in favor of recommending NTF shares. Clients should discuss the rationale behind the recommendation of NTF/TF shares with IARs.

As noted above, IARs, not the Registrant, pay these ticket charges with respect to client Program accounts and TAMP wrap fee program accounts. However, in the unlikely event of an IAR failing to make payment to the Custodian, the Registrant can be contractually responsible for the unpaid ticket charges. Clients should understand that the cost to IARs of transaction charges can be a factor that influences IARs when deciding which securities to select and how frequently to place transactions in these accounts. Client should understand that another investment adviser may offer the same mutual fund at a lower overall cost to the investor than is available through the custodian platforms with which the Registrant has relationships.

The Registrant has a policy that IARs recommend the lower cost share class reasonably available at the time through the custodian where a client account is located. Furthermore, the Registrant conducts surveillance to test this policy and maintains a process to reasonably conduct conversions to the lower cost share class, where applicable and possible depending on availability with an individual custodian.

We strongly encourage you to discuss with your IAR whether lower cost share classes are available with a particular custodian or a particular managed account program; why the particular funds or other investments that will be purchased or held in your account are appropriate for you in consideration of their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged; whether you will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance; and relevant tax considerations.

## E. Third Party Asset Management Programs

For Third Party Asset Management Programs ("TAMPs"), clients pay an advisory fee as set out in the client agreement with the TAMP sponsor. The fee is typically negotiated among the TAMP sponsor, the IAR and the client. The TAMP sponsor establishes a fee schedule or sets a minimum or maximum fee. The TAMP fee schedule will be set out in the Disclosure Brochure provided by the TAMP sponsor. The advisory fee typically is based on the value of assets under management as valued by the custodian of the assets for the account and will vary by program. The advisory fee typically will be deducted from the account by the custodian and paid quarterly in arrears or in advance. The advisory fee is often paid to the TAMP sponsor, who in turn pays a portion to the Registrant. Generally, the Registrant shares between 90% and 100% of the Registrant's portion of the fee with the IAR based on the agreement between the Registrant and the IAR. A TAMP account can be terminated by a party pursuant to the terms outlined in the TAMP client agreement. The TAMP client agreement will explain how clients can obtain a refund of any pre-paid fee if the agreement is terminated before the end of a billing period.

There are other fees and charges imposed by third parties that usually apply to investments in TAMP accounts. These types of fees and charges are described below. Absent other arrangements, the client is charged commissions, markups, markdowns, or transaction charges by the custodian who executes transactions in the TAMP account. There are usually custodian related fees imposed by the custodian of assets for the program account. These additional fees and charges will be set out in the TAMP Brochure and the agreements executed by the client at the time the account is opened.

If assets are invested in mutual funds, ETFs or other pooled funds, there are two layers of advisory fees and expenses for those assets. The client will pay an advisory fee to the mutual fund manager and other expenses as a shareholder of the mutual fund. The client will also pay the TAMP advisory fee with respect to those assets. The mutual funds and



ETFs available in the programs are available for direct purchase. Therefore, clients could avoid the second layer of fees by not using the advisory services of the TAMP and IAR and by making their own decisions regarding the investment. While a mutual fund in a TAMP program account at times pays an asset based sales charge or service fee (e.g., 12b-1 fee) to the custodian on the account the Registrant and its IARs are not paid any portion of these fees.

If a client transfers into a TAMP account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, client will be charged a redemption fee. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

If a client holds a variable annuity that is managed as part of a TAMP account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor. If client holds a UIT in a program account, UIT sponsors charge creation and development fees or similar fees. Further information regarding fees assessed by a mutual fund, variable annuity or UIT is available in the appropriate prospectus, which clients can request from the IAR.

If the TAMP program is a wrap fee program, clients should understand that the wrap fee can cost the client more than purchasing the program services separately, for example, paying fees for the advisory services of the TAMP and IAR, plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the:

- type and size of the account
- types of securities in the account
- historical and or expected size or number of trades for the account, and
- number and range of supplementary advisory and client-related services provided to the client.

The investment products and services available to be purchased in TAMP program accounts can be purchased by clients outside of a TAMP program account, through the Registrant or through broker-dealers or other investment firms not affiliated the Registrant or the TAMP.

## F. Discretion on Held-away Assets Fees

The fee for Held Away Management services will be assessed and billed quarterly. Specifically, the exact amount charged is determined by the daily average over the course of the quarter. The current exception for this is directly-managed held-away accounts (such as 401(k) plan participant accounts), which are determined by the account value at the end of the quarter. In either case, if the Registrant only manages the client's assets for part of a quarter, the charge will be prorated. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as set forth in the Client's Investment Advisory Agreement or Financial Planning and Consulting Agreement (as applicable) and applying the fee to the daily average of the account value or the account value as of the last day of the previous quarter (per the paragraph above), resulting in a combined weighted fee. For example, an account valued at \$2,000,000 would pay an effective fee of 1% with the annual fee being \$20,000 (a quarterly fee of \$5,000). Investment management fees are generally directly debited on a pro rata basis from client accounts. The exception for this is directly-managed held-away accounts, such as 401(k)'s. As it is impossible to directly debit the fees from these accounts, those fees will be assigned to the client's taxable accounts on a pro-rata basis. If the client does not have a taxable account, those fees will be billed directly to the client. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

## G. Retirement Plan Consulting Fees

Retirement Plan Consulting Fees are usually based on a percentage of the assets held in the Plan (up to 1.00% annually), on an hourly basis (up to \$400 per hour), or on a flat rate basis, as negotiated between the Plan and the IAR. Fees will be payable to Registrant in advance or in arrears on the frequency (e.g., quarterly, monthly, etc.) agreed upon among the client, the Registrant, and the IAR. If asset based fees are negotiated, payment generally will be based on the value of the Plan assets as of the close of business on the last business day of the period as valued by the custodian of the assets. However, if the fee is paid by the Plan or the client through a third party service provider, such fee will be



calculated as determined by the provider. If the fee is paid prior to the services being provided, the Plan will be entitled to a prorated refund of any prepaid fees for services not received upon termination of the client agreement.

Clients can also incur fees and charges imposed by third parties other than the Registrant and its IARs in connection with investments recommended by the Registrant. These third party fees can include fund or annuity subaccount management fees, 12b-1 fees and administrative servicing fees, plan recordkeeping and other service provider fees. Further information regarding charges and fees assessed by a fund or annuity are available in the appropriate prospectus, and should be considered by the Plan before making the investment. Certain of the Registrant's IARs are also registered representatives of LPL Financial ("Dually Registered Persons"). In the event that the Dually Registered Person collects a 12b-1 fee, it is not in his or her capacity as an IAR of the Registrant, but rather in his or her capacity as a registered representative of LPL Financial.

If a client engages the Registrant to provide ongoing investment recommendations to the Plan regarding the investment options (e.g., mutual funds, collective investment funds) to be made available to Plan participants, clients and Plan participants should understand that there generally will be two layers of fees with respect to such assets.

The Plan will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. The client also will pay the Registrant a fee for the investment recommendation services. Therefore, clients could generally avoid the second layer of fees by not using the advisory services of the Registrant and by making their own decisions regarding the investment.

If a Plan makes available a variable annuity as an investment option, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor. If a Plan makes available a pooled guaranteed investment contract (GIC) fund, there are investment management and administrative fees associated with the pooled GIC fund.

Clients should understand that the fee that a client negotiates with a IAR can be higher than the fees charged by other investment advisers or consultants for similar services. This is the case, in particular, when the fee is at or near the maximum fees set out above. The IAR is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship, the complexity of the services, and the number and range of supplementary advisory and client-related services to be provided.

Clients should consider the level and complexity of the consulting and/or advisory services to be provided when negotiating the fee with IAR.

Clients pay the fee by check made payable to Registrant. In the alternative, clients can also instruct a Plan's service provider or custodian to calculate and debit the fee from the Plan's account at the custodian and pay such fee to Registrant.

## H. Deducting Advisory Fees from Accounts Held with Custodian

Clients can elect to have the Registrant's advisory fees deducted from their account(s) held with the relevant custodian. Both Registrant's Investment Advisory Agreement and the custodian/clearing agreement authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

## I. Dually Registered Persons and Custody of Accounts

Certain of the Registrant's IARs are Dually Registered Persons. The ultimate decision to custody assets with a particular custodian is made by the Registrant's clients (including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder). Registrant's IARs have significant impact on the decision of which custodian is used. IARs use at least one custodian, and certain IARs use multiple custodians. In the event that an IAR uses multiple custodians, Clients should discuss the custodial options with the IAR in order to understand the IAR's rationale in recommending a particular custodian for a Client's assets.

When a IAR who is a Dually Registered Person wishes to use a custodian other than LPL Financial, it requires approval by LPL Financial. It is possible that a client may wish their assets to be held by a custodian that the IAR does not have



access to, though the Registrant does. In that event, the client could choose to switch IARs in order to access the particular custodian through the Registrant. If approved, the client may be serviced the client's Dually Registered Person would incur an oversight fee due to LPL Financial where the Dually Registered Person is placing trades for the account. The oversight fee is equal to 5 basis points (0.05%) of the assets under management in the account. Clients who engage the Registrant on a non-wrap basis will incur, in addition to Registrant's investment management fee, brokerage commissions and/ or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Clients should be aware that the requirement of approval and the charging of the oversight fee may create a disincentive for Dually Registered Persons to recommend custodians other than LPL Financial or to assist clients in opening accounts with a custodian other than LPL Financial.

In a Dually Registered Person's capacity as a registered representative of LPL Financial, the Dually Registered Person may earn commissions for the sale of securities or investment products that such person recommends for brokerage clients. Dually Registered Persons do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through the Registrant.

Clients have the option of purchasing many of the securities and investment products that the Registrant makes available through another broker-dealer, another custodian, registered investment adviser or another financial institution. However, if clients purchase these securities and investment products away from the Registrant, clients will not receive the benefit of ongoing advice and other services that the Registrant provides. To determine whether an IAR is a Dually Registered Person, clients should review his or her Part 2B Brochure Supplement, and if a client has not received a copy of that document, the client should contact the Registrant using the information on the cover page.

**Please Note:** LPL Financial is affiliated with Private Trust Company, N.A., ("PTC") a trust company licensed in all 50 states under a national bank charter. Under the Internal Revenue Code, which authorizes the tax-advantaged status of Individual Retirement Accounts ("IRAs"), IRAs must be a trust, or a custodial account held by a bank that is treated as a trust. When a client elects to utilize LPL Financial as his or her custodian, LPL Financial will direct client's IRA assets to be held at PTC to qualify as an IRA. As such, clients may incur an annual IRA maintenance fee charged by PTC. Any annual IRA maintenance fees incurred by the client are in addition to the Registrant's investment management fee. PTC may set a level of assets for IRAs above which it will waive its Annual Maintenance Fee, and PTC may choose to waive its fee for certain centrally managed programs. Custodians other than LPL Financial/ PTC may or may not charge an annual fee for maintaining a retirement account, and any such fee may be more or less than the fee charged by PTC. PTC may waive its annual maintenance fee for accounts in certain centrally managed programs offered by LPL Financial. Custodians other than LPL Financial/ PTC may or may not waive their fees based on a level of assets maintained in the account, and the asset level or other conditions for a fee waiver may be higher or lower than the asset level set by PTC for fee waiver.

## J. Calculation of Advisory Fees

Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant does not generally require an annual minimum fee or asset level for investment advisory services. However, Registrant, in its sole discretion, can reduce its annual minimum fee and/or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). The Registrant can participate in programs sponsored by other entities that require a minimum asset level or that charge a minimum fee, and clients should be aware that the imposition of minimum fees by another entity can result in a higher fee being charged than is described in this brochure, particularly where partial withdrawals by the client reduce asset levels.

The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Following receipt of notice of termination, the Registrant shall refund the pro- rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

## K. Commission Transactions

In the event that the client desires, the client can engage certain of the Registrant's IARs, in their individual capacities





as registered representatives of LPL Financial, an SEC-registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through LPL Financial, LPL Financial will charge brokerage commissions to effect securities transactions, a portion of which commissions LPL Financial shall pay to the LPL registered representatives who effectuated the purchase. Any payment of commissions to Dually Registered Persons would be through their role as registered representatives of LPL Financial, and the Registrant would receive no part of those commissions.

The brokerage commissions charged by LPL Financial can be higher or lower than those charged by other broker-dealers. In addition, LPL Financial, relative to mutual fund purchases with commissions, also receives, at times, additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment in a brokerage relationship, and the Registrant's IARs who are Dually Registered Persons may receive a portion of those additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company in their roles as registered representatives of LPL Financial. In the event that the Dually Registered Person collects a 12b-1 fee, it is not in his or her capacity as an IAR of the Registrant, but rather in his or her capacity as a registered representative of LPL Financial.

- **Conflict of Interest:** The recommendation that a client purchase a commission product from LPL Financial presents a conflict of interest to a Dually Registered Person, as the receipt of commissions provides an incentive to recommend investment products based on commissions received in his or her role as a registered representative of LPL Financial, rather than on a particular client's need. No client is under any obligation to purchase any commission products from LPL Financial. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the above conflict of interest.
- **Please note:** Clients can purchase investment products recommended by Registrant through other, non-affiliated broker-dealers or agents.

When Registrant's IARs sell an investment product on a commission basis, the Registrant does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, the Registrant's IARs do not also receive commission compensation for such advisory services. However, a client may engage the Registrant to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Registrant's IARs on a separate commission basis.

In addition to the fees charged by the Registrant, clients can incur brokerage, custodian or mutual fund fees and expenses. Some investments have additional fees embedded within the product. Please discuss your individual account with your IAR. For additional information, please see Item 12-Brokerage Practices. In addition to advisory fees, IARs who are Dually Registered Persons and/or licensed as insurance agents or brokers receive additional compensation. These individuals implement investment recommendations for advisory clients and receive separate yet customary compensation including, commissions, 12b-1 fees or other transaction related compensation. These additional fees and expenses will increase the overall investment cost to the client. In the event that the Dually Registered Person collects a brokerage commission, an insurance commission or 12b-1 fee, it is not in his capacity as an IAR of the Registrant, but rather in his capacity as a registered representative of LPL Financial or licensed insurance agent.

Receipt of these commissions presents a conflict of interest and gives the Registrant and the Dually Registered Person an incentive to recommend an investment product based on the compensation received. The Registrant addresses this conflict by disclosing to clients brokerage and other expenses. Clients will receive notification of brokerage commissions charged by the broker-dealer through which the transactions are effected.

The Registrant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Registrant in and of itself creates a conflict of interest and indirectly influences the Registrant's choices for investments, custody and brokerage services. Furthermore, clients should be aware that the receipt of economic benefits by Dually Registered Persons in and of itself creates a conflict of interest and may indirectly influence the Registrant's choices for investments, custody and brokerage services.

## L. Insurance Consultation Services

As noted in Item 4 above, the Registrant has engaged for a fixed annual fee with DPL Financial Partners, LLC ("DPL") to obtain membership access to DPL's platform of insurance consultation services. For providing platform services, DPL receives service fees from the insurers that offer their products through the platform. These service fees are based on





the insurance premiums received by the insurers from DPL members' clients. The Registrant and its IARs receive a portion of the service fees from DPL for ongoing management and investment advisory services related to the insurance products. The receipt of these fees and the payment of the membership fee present a conflict of interest where PAG and its IARs have an incentive to recommend that clients purchase insurance products through DPL. Clients are reminded that they can purchase insurance products from other insurance companies and platforms where premiums may be higher or lower and features of policies may differ.

## Item 6 Performance-Based Fees and Side-by-Side Management

The Registrant does not charge performance-based fees.

The Registrant manages more than one client account, often with different mandates or fee structures (side-by-side management). This is a conflict of interest, as it creates a financial incentive for providing preferential treatment to one account over others in terms of allocation of management time, resources, investment opportunities, and trade execution. The Registrant mitigates this conflict of interest by adopting and implementing a Code of Ethics, by disclosing this conflict to clients, and by endeavoring to act in each client's best interest as a fiduciary. Additionally, IARs utilize similar research and resources for their client accounts and aggregate client trades whenever possible.

## Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. The Registrant does not generally require an annual minimum fee or minimum asset level for investment advisory services. Certain investment programs or investment products require annual minimum fees or minimum asset levels for participation. Clients should thoroughly review disclosure materials or brochures and consult with their IAR about implications of such minimum requirements before investing in such programs or products.

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

### A. Methods of Analysis

The Registrant utilizes the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
- Asset Allocation - (identifying an appropriate ratio of asset classes that are consistent with the client's investment goals and risk tolerance)

### B. Investment Strategies

The Registrant utilizes the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

### C. Risks

Investing in securities involves investment risks, including loss of principal. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant



must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values.

There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading is an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, and involves a very short investment time period. A trading strategy will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer term investment strategy.

Currently, the Registrant allocates client investment assets primarily among various individual equity and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary and non-discretionary basis in accordance with the client's designated investment objectives and risk tolerances.

As disclosed above, the Registrant may utilize leveraged long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his or her or its accounts. (See Item 4)

While not an all-inclusive list, the following are types of investment risks that could affect the value of your portfolio, depending on the selected investment product(s) and the portfolio of investments:

- **Market Risk.** This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk.** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Liquidity Risk.** This is the risk that an investor would not be able to sell or redeem an investment quickly, or would not be able to sell or redeem an investment quickly without significantly affecting the price. Liquidity risk is heightened when markets are distressed. Generally, alternative investments have higher liquidity risk than equities, fixed income securities or mutual funds or ETFs.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- **Investment Company Risk.** To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- **Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion



of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.

- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

## Item 9 Disciplinary Information

Below is a summary of Registrant's material legal and disciplinary events during the last ten years. As of the date of this Brochure, there are no such reportable events for Registrant's senior management personnel or those individuals in senior management responsible for determining the general investment advice provided to Registrant's clients.

### Securities and Exchange Commission

On July 21, 2022, pursuant to a settlement, in which the Registrant neither admitted or denied to the findings, the SEC issued an administrative order ("the Order") that found, among other things, the Registrant failed to provide full and fair disclosure regarding the conflicts associated with share classes with no transaction fees, or NTF shares, in wrap accounts. The Order found that the Registrant did not fulfill its duty of care and other obligations in connection with the conflict. The Order also found that the Registrant had not adopted and implemented written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund selection practices in its wrap program and the related disclosures of its associated conflicts of interest. The Order includes findings that Registrant violated Section 206(2) of the Advisers Act, as well as Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. These are not scienter-based violations. As part of the settlement, the Registrant agreed to pay a civil penalty of \$5.8 million, to be disbursed to affected investors, along with other undertakings.

As further highlighted in the Order, in 2017 the Registrant proactively instituted a policy as a remedial measure that mitigated the conflict. The full text of the order is available here: <https://www.sec.gov/litigation/admin/2022/ia-6069.pdf>.

### State of Pennsylvania

The Registrant paid a \$20,000 administrative penalty in 2017 to the Pennsylvania Department of Banking and Securities for employing an IAR in the state who was not registered with the state.

## Item 10 Other Financial Industry Activities and Affiliations

### A. Registrant's Other Financial Industry Activities and Affiliations

1. **Affiliated Broker-dealer.** PAG Financial, LLC is a FINRA registered broker-dealer, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of PAG Financial, LLC. PAG Financial, LLC does not have any retail or institutional customers, and does not serve as custodian for any investment adviser assets. The Registrant has not identified any conflicts of interest that could impact the Registrant's relationship with its clients but continues to periodically evaluate any potential conflicts of interest that could arise based on this affiliate relationship.
2. **Affiliated Investment Adviser.** Private Advisor Network, LLC is an SEC-registered investment adviser, and is under common control with the Registrant. PAG Holdings, LLC owns 100% of Private Advisor Network, LLC. Private Advisor Network, LLC does not have any retail or institutional customers, and is not currently providing advisory services. The Registrant has not identified any conflicts of interest that could impact the Registrant's relationship with its clients but continues to periodically evaluate any potential conflicts of interest that could arise based on this affiliate relationship.
3. **Recommendation or Selection of Other Non-Affiliated Investment Advisers.** As described above, the Registrant, when appropriate, recommends or selects other investment advisers for its clients, generally through TAMPs. Certain custodians make available advisory services and programs of third party investment advisers. Through



these TAMPs, the Registrant's IARs provide ongoing investment advice to clients that is tailored to the individual needs of the client. As part of these TAMP services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and assists the client in opening an account with the TAMP. In addition, depending on the type of program, the IAR may assist the client to select a model portfolio of securities designed by the TAMP or select a portfolio management firm to provide discretionary asset management services. The third party investment adviser (and not Registrant's IAR) has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client. This authorization will be set out in the TAMP client agreement. The Brochure for the particular TAMP will explain whether clients may impose restrictions on investing in certain securities or types of securities. Typically, the TAMP will deduct its advisory or management fee from the client's account and share a portion of that fee with the Registrant and the Registrant's IAR. In particular, the Registrant currently offers advisory services through TAMPs sponsored by, among others: AssetMark, Brinker Capital, BTS Asset Management, Envestnet, Flexible Plan Investments, Orion Portfolio Solutions, Manning & Napier, Morningstar Managed Portfolios, SEI Investments Management, Symmetry Partners LLC, and Townsquare Capital LLC. Clients should refer to the Brochure, client agreement and other account paperwork for each TAMP for more detailed information about the services available under the program, including any potential conflicts of interest. In addition, the Registrant offers the same or similar TAMPs on a wrap fee basis, which are described in the General Wrap Brochure, a copy of which you may obtain at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your IAR. The Registrant also may refer clients to other investment advisers under a solicitor or promoter arrangement (see Item 14). The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

4. **Other Activities and Affiliations.** The Registrant is required to disclose that it does not engage in certain activities. The Registrant, its management persons, and its IARs, are not registered as a futures commission merchant, commodity pool operator, a commodity trading adviser, or a representative of the same, and no such applications are pending.

## B. Registrant's IARs Other Financial Industry Activities and Affiliations

### 1. Affiliations and Activities of Individual IARs

- a. **Registered Representatives of LPL Financial.** Certain of the Registrant's IARs are Dually Registered Persons with LPL Financial, LLC. LPL Financial is an SEC-registered and FINRA member broker-dealer that is independently owned and operated and is not affiliated with the Registrant. Please refer to Item 12 of this Brochure for a discussion of the benefits that Dually Registered Persons can receive from LPL Financial and the conflicts of interest associated with receipt of such benefits. Clients can choose to engage Registrant's Dually Registered Persons in their individual capacities as registered representatives of LPL Financial, to implement investment recommendations on a commission basis.
- b. **Licensed Insurance Agents.** Certain of Registrant's IARs, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of Registrant's IARs to purchase insurance products on a commission basis.
  - i. **Conflict of Interest:** The recommendation by Registrant's IARs that a client purchase a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission-based products from Registrant's IARs. Clients are reminded that they can purchase investment products recommended by Registrant through other, non-affiliated broker-dealers or insurance agents. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- c. **Licensed Attorneys.** Certain of Registrant's IARs are licensed attorneys and may, in their individual capacities, provide legal services to Registrant's clients. To the extent that a client specifically requests legal or estate planning services, the Registrant can recommend the services of an attorney, including certain of Registrant's IARs in their individual capacities as licensed attorneys. Any such legal services shall be rendered independent of the Registrant pursuant to a separate agreement between the client and the attorney. The Registrant shall



not receive any of the fees charged by the attorney, referral or otherwise. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

- d. **Employees or Affiliates of Banks.** Certain of Registrant's IARs are employees or affiliates of banks, and can recommend the use or purchase of certain bank products or services. Conflict of Interest: The recommendation by these IARs that a client use or purchase of certain bank products or services presents a conflict of interest, as a bank employee may have an incentive based on his employment to recommend the use or purchase of certain bank products or services rather than on a particular client's need. No client is under any obligation to use or purchase of any bank products or services. Clients are reminded that they may patronize any bank and are not required to use or purchase any banking products or services recommended by the IAR. In addition, a IAR's employment by a bank does not mean that investments made through him are deposits with the bank, or obligations of the bank or are guaranteed by the bank or any governmental agency. Investments are subject to investment risks, including possible loss of the principal amount invested. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- e. **Other Investment Adviser Firm.** Certain of Registrant's IARs also serve as investment adviser representatives of other registered investment advisers. These IARs may refer certain clients to those other investment advisers for advisory services.
  - i. Conflict of Interest: The recommendation by these IARs that a client engage the investment advisory services of another investment adviser presents a conflict of interest, as these IARs may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of another investment adviser. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- f. **Real Estate broker or dealer.** Certain of Registrant's IARs also serve as real estate brokers or dealers or as owners or investors in real estate investments. These IARs may recommend the purchase, sale, rental of or investment in real estate.
  - Conflict of Interest: The recommendation by these IARs of the purchase, sale, rental of or investment in real estate Such advice presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend real estate based on commissions to be received, rather than on a particular client's need. In addition, holding an ownership interest in real estate investment being offered to a client also presents a conflict of interest. No client is under any obligation to purchase or rent any real estate from or invest in real estate with these IARs. Clients are reminded that they may purchase or rent any real estate recommended by these IARs through other real estate agents, and that they may invest in other real estate ventures. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- g. **Accountants and Certified Public Accountants.** Certain of Registrant's IARs are accountants, Certified Public Accountants and/or Enrolled Agents. To the extent that these IARs provide accounting services (which may include tax advice) to any clients, including clients of the Registrant, all such services shall be performed by those IARs in their individual professional capacities, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by the IAR (referral or otherwise). It is expected that these IARs, solely incidental to their practices as accountants, may recommend the Registrant's services to certain of their clients. No client of Registrant is under any obligation to use the accounting services of these IARs. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

## 2. Determining Affiliations and Activities of Individual IARs

Registrant prepares a Form ADV Part 2B Brochure Supplement ("Brochure Supplement") for each of Registrant's IARs, which includes information regarding the IAR's education, business experience, disciplinary information, other business activities, conflicts of interest, additional compensation, and supervision. Registrant's IARs are required to provide clients with a current Brochure Supplement when commencing an advisory relationship. Please contact the Registrant or your IAR if you did not receive your IARs Brochure Supplement. Clients also may obtain additional information about Registrant's IARs, such as licenses, employment history, their regulatory disciplinary information (if any), and whether he or she has received reportable complaints from investors from





the SEC at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). To determine whether any of the Registrant's IARs servicing a client's accounts are engaged in any activities that may create a conflict of interest, clients should review the Brochure Supplements for those IARs. Clients of the Registrant have their primary contact with the IAR of the Registrant who brings them onboard as a client. The IAR may recruit the client while with the Registrant, or may have recruited them while the IAR was affiliated with a previous broker-dealer or registered investment adviser, and induced the client to continue that relationship with the IAR when the IAR became affiliated with the Registrant. Registrant's IARs have made individual decisions to affiliate with the Registrant. Because each affiliation decision was made solely based on the business determination of the individual IAR and client, the Registrant may be limited in its ability to negotiate fees, etc., on behalf of its clients.

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

The Registrant has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that applies to all supervised persons of the Registrant, including IARs. Among other things, Registrant's Code of Ethics serves to establish, maintain and enforce (i) a standard of business conduct for all of Registrant's supervised persons that is based upon fundamental principles of openness, integrity, honesty and trust; (ii) compliance by Registrant's supervised persons with Federal securities laws; and (iii) an investment policy relative to personal securities transactions of Registrant's access persons. A copy of the Code of Ethics, which is part of Registrant's Compliance Manual, is available upon request.

In accordance with Section 204A of the Advisers Act, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts securities in which the Registrant or any related person of Registrant has a material financial interest.

The Registrant and its IARs at times buy or sell securities that are also recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. We address these practices in our Code of Ethics specifically and policies and procedures generally. Policies and procedures address practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation), detecting insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's Access Persons, that is persons who have access to its nonpublic information. The Registrant's securities transaction policy requests that an Access Person of the Registrant provides the Chief Compliance Officer or his designee with access to their current securities holdings as part of the process of becoming an Access Person. Additionally, each Access Person provides the Chief Compliance Officer or his designee with an electronic submission that is akin to a report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

The Registrant can buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and its IARs are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## Item 12 Brokerage Practices

### A. Selection and Recommendation of Custodians, and Best Execution

The Registrant recommends to all clients that all client investment funds be held by a custodian with which the client's account is carried on a fully-disclosed basis, and about which the client will receive regular statements from the custodian. The Registrant does not accept engagements with clients where clients' funds are pooled into an omnibus account. See Item 15.

Clients open brokerage accounts or advisory accounts, or some combination of each type of account based on their





individual needs. The ultimate decision to custody assets with a particular custodian is made by the Registrant's clients (including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder). However, Registrant's IARs have significant impact on the decision of which custodian is used. An IAR uses at least one custodian, and certain IARs use multiple custodians.

Registrant's IARs who are Dually Registered Persons with LPL Financial are not permitted to be registered with a broker-dealer other than LPL Financial, and generally may not advise on brokerage accounts away from LPL Financial. However, when such IARs desire to use a custodian other than LPL Financial, the IAR must receive approval from LPL Financial. Registrant's IARs who are not Dually Registered Persons may advise on brokerage accounts at any custodian approved by the Registrant. It is possible that a client may wish their assets to be held by a custodian that the IAR does not have access to, though the Registrant does. In that event, the client could choose to switch IARs in order to access the particular custodian through the Registrant.

In the event that the client requests that the Registrant recommend a custodian for execution and custodian services (exclusive of those clients that may direct the Registrant to use a specific custodian), the Registrant's IAR may recommend that investment accounts be maintained at a custodian with which that IAR has experience. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodian agreement with each designated custodian.

From time to time, the Registrant evaluates its existing custodians and whether to permit use of additional custodians by IARs. The custodians currently used by the Registrant's IARs include:

1. LPL Financial
2. Charles Schwab & Co., Inc.
3. Pershing Advisor Solutions LLC
4. Fidelity Brokerage Services, LLC
5. Interactive Brokers LLC
6. US Bank
7. SEI Private Trust Company
8. AssetMark Trust
9. TIAA-CREF Individual & Institutional Services, LLC
10. National Advisors Trust Company.

As noted in Item 4, AFS serves as the transfer agent to the 529-F-2 Direct-at-Fund programs and provides the custodian services for clients invested in the American Funds 529-F-2 share classes.

Factors that the Registrant considers in recommending a custodian (LPL Financial, PTC and/or any other custodian) include historical relationship with the Registrant, eligible account types, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission and transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer or custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close. Custodians may make various share classes of mutual funds available to the Registrant and its clients. Even though multiple share classes are available from an investment product sponsor, a custodian may only make available a single share class or a limited number of share classes on its platform. The Registrant will select for purchase only share classes that are no-load or load-waived share classes and therefore not subject to any upfront sales charge paid to the investment sponsor, but may be subject to a



transaction fee paid to the custodian. Custodians may not choose to offer the least expensive share class that an investment product sponsor makes available, but instead may select a share class that pays the custodian compensation for the administrative and recordkeeping services that the custodian provides to the investment product sponsor. Other custodians and financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through the Registrant or a particular custodian and the client should consider these factors in deciding between types of investments, types of investment products and types of investment accounts. In reviewing mutual fund share class holdings in existing portfolios, the Registrant evaluates the transaction costs of switching between share classes and the investment horizon of the client to determine whether a client will benefit from a particular transaction.

As discussed previously in Item 10, certain associated persons of the Registrant 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 the Registrant's clients, even if client does not establish any account through LPL Financial. If you would like a copy of the LPL Financial privacy policy, please visit [www.lpl.com](http://www.lpl.com) or contact the Registrant's Chief Compliance Officer.

The final decision to custody assets with a particular custodian is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. The Registrant is independently owned and operated and not affiliated with any custodians.

### **Research & Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular custodian, the Registrant may receive from LPL Financial, without cost (and/ or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be 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, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and products that may be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected or assets maintained at LPL Financial or PTC as a result of this arrangement. There is no corresponding commitment made by the Registrant to LPL Financial, PTC or any custodians to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

In the event that the Registrant's clients utilize the services of Charles Schwab & Co., Inc. ("Schwab") as a custodian, Schwab may provide the Registrant with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent registered investment advisers like the Registrant on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the registered investment advisor's clients' assets are maintained in accounts at Schwab Institutional. Other custodians may provide similar services based on maintaining similar levels of client assets with them, and clients should be aware that other custodians may charge lower fees or higher fees for making services available, or may require a lower or higher level of assets to be custodied with them. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For client accounts of the Registrant that are maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle in Schwab accounts. Custodians also make available to the Registrant other products and services that benefit the Registrant but may not benefit its clients' accounts. These benefits may include national, regional or Registrant-specific educational events organized and/ or sponsored by the custodian.



Other potential benefits may include occasional business entertainment of personnel of the Registrant by the custodian, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other such products and services assist the Registrant in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Registrant's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Registrant's accounts, including accounts not maintained at the particular custodian.

The custodian also may make available to the Registrant other services intended to help the Registrant manage and further develop its business enterprise. These services may include professional, compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, custodians may make available, arrange and/ or pay vendors for these types of services rendered to the Registrant by independent third parties. The custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Registrant. The Registrant's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to the Registrant of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest. From time to time, certain IARs of the Registrant or groups of those IARs may receive specific benefits from broker-dealers generally for those IARs to custody client assets with those broker-dealers at a time when those IARs are changing their affiliations. LPL Financial provides transition assistance payments in the form of forgivable and non-forgivable loans to certain IARs of the Registrant who are also registered representatives of LPL Financial. All such transition assistance payments are made to those persons in their capacities as registered representatives of LPL Financial. The Registrant and its IARs from time to time also receive reduced cost or free admission to educational events sponsored by custodians.

The Registrant's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest any such arrangement may create.

### **Brokerage for Client Referrals**

The Registrant does not receive referrals from broker-dealers.

### **Directed Brokerage**

The Registrant does not generally accept directed brokerage arrangements (i.e., where a client requires that account transactions be effected through a specific broker-dealer). As discussed above, the Registrant's IARs who are Dually Registered Persons are not generally permitted to participate in brokerage arrangements away from LPL Financial. In addition, the Registrant has determined to follow a policy of requiring client assets to be held with its custodians on a fully-disclosed basis, instead of in an omnibus account in the Registrant's name, to increase transparency and security for clients, but at the cost of reducing the Registrant's capability and leverage to negotiate brokerage arrangements. In client directed arrangements, the client will negotiate terms and arrangements for their account with their broker-dealer, and Registrant will not seek better pricing from other broker-dealers or be able to "bunch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. In addition, custodying client assets in individually identified accounts at specific custodians may limit the choice of investment products, such as classes of mutual funds that are available on that custodian's platform and may result in a client not being able to invest in particular investment products or paying higher transaction fees based on the products that are made available. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect



account transactions through alternative clearing arrangements that may be available through Registrant. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement.

## B. Aggregating Transactions

To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

## C. Opening Brokerage or Advisory Accounts with LPL Financial or Another Custodian

The Registrant's IARs will generally assist clients in establishing brokerage accounts and/or advisory accounts with LPL Financial or another custodian to maintain custody of clients' assets and to effect trades for their accounts.

### 1. LPL Financial

LPL Financial provides brokerage and custodian services to independent investment advisory firms, including the Registrant. For the Registrant'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. In order for IRA accounts to qualify as for tax-favorable treatment under section 408(h) of the Internal Revenue Code, LPL Financial arranges for them to be held in custodial accounts with PTC, a banking subsidiary of LPL, and PTC charges an annual account maintenance fee for its services. In addition, LPL Financial also charges clients miscellaneous fees and charges, such as account transfer fees. LPL Financial may charge certain Dually Registered Persons an asset-based administration fee for administrative services provided by LPL Financial. Such administration fees are not directly borne by clients, but may be taken into account when the Dually Registered Persons negotiate the advisory fee with a client.

While LPL Financial does not participate in, or influence the formulation of, the investment advice that the Registrant provides, certain supervised persons of the Registrant 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/ custodian that is not approved by LPL Financial. As a result, the use of other trading platforms by Dually Registered Persons must be approved not only by the Registrant, but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, the Registrant 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 be aware that Dually Registered Persons are limited to offering services and investment vehicles that are approved by LPL Financial, even if those services or investment vehicles are offered on a custodian platform away from LPL Financial where the client maintains an account.

Clients should understand that not all investment advisers require that clients custody their accounts and trade through specific broker-dealers, or even recommend that clients custody their accounts and trade through specific broker-dealers. Clients should also understand that not all investment advisers have IARs who are Dually Registered Persons. Clients should also understand that not all investment advisers have a policy of maintaining client assets in individually identified accounts.

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of the Registrant and its Dually Registered Persons that are conducted through custodians other than LPL Financial. LPL Financial can charge a fee for its oversight of activities conducted through these other custodians, although LPL Financial may agree to waive this fee for certain Dually Registered Persons. This



arrangement presents a conflict of interest because the Registrant and its Dually Registered Persons have a financial incentive to recommend that clients maintain their accounts with LPL Financial rather than with another broker-dealer/ custodian to avoid incurring the oversight fee.

- **Benefits Received by the Registrant's Personnel**

LPL Financial makes available to the Registrant various products and services designed to assist the Registrant in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of the Registrant'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 the Registrant's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to the Registrant other services intended to help the Registrant manage and further develop its business. Some of these services assist the Registrant to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only the Registrant, for example, services that assist the Registrant 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 the Registrant 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 the Registrant to cover the cost of such services, reimburse the Registrant for the cost associated with the services, or pay the third party vendor directly on behalf of the Registrant.

The products and services described above are provided to the Registrant as part of its overall relationship with LPL Financial. While as a fiduciary the Registrant endeavors to act in its clients' interest at all times, the receipt of these benefits creates a conflict of interest because any advice from the Registrant's IAR that leads clients to custody their assets at LPL Financial is based in part on the benefit to the Registrant 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. The Registrant's receipt of some of these benefits may be based on the amount of the Registrant's advisory assets custodied on the LPL Financial platform. The receipt of some of these benefits by a Dually Registered Person is based on that person's relationship with LPL Financial and is provided to him or her through his or her role as a registered representative of LPL Financial.

- **Transition Assistance Benefits**

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the Dually Registered Person 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 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 custodian platform, technology set-up fees, marketing and mailing costs, stationery and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at his or her prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at his or her prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B Brochure Supplement for more information about the specific Transition Payments a specific Dually Registered Person is receiving.

Transition Assistance payments and other benefits are provided to Dually Registered Persons in their capacity as registered representatives of LPL Financial. However, the receipt of Transition Assistance by such





Dually Registered Persons creates a conflict of interest relating to the Registrant's advisory business because it creates a financial incentive for the Registrant's IARs to recommend that its clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining his or her clients' assets with LPL Financial, or maintaining a certain level or client assets with LPL Financial, and therefore the Registrant and its IARs have an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

The Registrant attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Persons. The Registrant considers LPL Financial's historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service when recommending or requiring that clients maintain accounts with LPL Financial.

The Registrant does not receive any part of the Transition Assistance paid to Dually Registered Persons, but the Registrant benefits from the Transition Assistance paid by LPL Financial to Dually Registered Persons because the payment of such Transition Assistance increases the Registrant's ability to attract new Dually Registered Persons and thereby increase its assets under management. However, clients should be aware of this conflict and take it into consideration in making a decision whether to engage the Registrant for investment advice and whether to custody their assets in a brokerage or advisory account at LPL Financial.

The Registrant provides Transition Assistance to certain registered persons in the form of forgivable loans conditioned on the registered person remaining with the Registrant to obtain the full value of the loan forgiveness. The opportunity for loan forgiveness presents a conflict of interest by presenting a financial incentive for the registered person to remain with the Registrant whether or not it is advantageous to his clients.

## 2. Custodians Other than LPL Financial

The Registrant participates in various programs offered by its custodians that offer certain services to independent investment advisers, including custody of securities, trade execution, clearance, and settlement of transactions. (Please see additional disclosures under Item 14 below). In addition, some of the same custodians utilized by the Registrant and referenced in this Brochure are also utilized by the Registrant through the Custodian Programs. The Custodian Programs are further described in the General Wrap Brochure, a copy of which you may obtain at <https://www.privateadvisorgroup.com/pag-disclosure-documents/> or by contacting your IAR.

## D. Nitrogen

The Registrant uses Nitrogen (formerly known as Riskalyze Autopilot) technology to help us organize, document and calculate the trades necessary to implement investment decisions for sets of accounts. Nitrogen offers discounts on their services when a certain level of assets are invested with certain asset management firms or in certain mutual funds. These discounts create an incentive for the Registrant to invest with those asset management firms or in those mutual funds. The availability of the discounts creates a conflict of interest because the Registrant may invest client assets to obtain the discounts, and the discounts do not directly benefit the client whose assets are being invested. The Registrant participates in Nitrogen's "No Platform Fee" discount program and will receive discounts on its technology expense from Nitrogen through its participation in the program. Without the discounts, the Registrant would be responsible for the expense of this technology. The receipt of the discounts creates a financial incentive for the Registrant to recommend certain asset management firms or certain mutual funds to obtain the discounts over others that could have lower expenses or better performance. This financial incentive creates a conflict of interest.

## Item 13 Review of Accounts

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant and its IARs. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. Part of the periodic reviews include whether the client's account type remains in the best interest of the client and, if not, the client can be switched to an account with a different fee structure and investment options.





All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

The Registrant conducts account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request. A client can request a meeting with their IAR at any time.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian, and from the Registrant in its capacity as program sponsor. The Registrant may also provide a written periodic report summarizing account activity and performance.

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

### **Custodian Arrangements**

As part of its fiduciary duties to clients, the Registrant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Registrant's choice of a particular custodian for custody and brokerage services.

#### **■ LPL Financial**

As referenced in Item 12 above, the Registrant may receive an indirect economic benefit from LPL Financial. The Registrant, without cost (and/or at a discount), may receive support services and/or products from LPL Financial. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at LPL Financial as a result of this arrangement. There is no corresponding commitment made by the Registrant to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. Other broker-dealers, such as the custodians referenced in Item 12 above, may also provide similar indirect economic benefits, support services and products, and do not require higher payments or fees or minimums.

#### **■ Custodians other than LPL Financial**

As referenced in Item 12 above, the Registrant also has established relationships with custodians other than LPL Financial to assist the Registrant in managing client accounts. The custodians provide custody and brokerage services to clients, and certain custodians make available the Custodian Programs. The Registrant receives access to software and related support as part of its relationship with the custodians, or, in some cases cash compensation to defray the cost of these items that are procured directly by the Registrant. The software and related systems support or cash payments may benefit the Registrant, but not its clients directly. In fulfilling its duties to its clients, the Registrant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Registrant's recommendation of the custodian over one that does not furnish these economic benefits. Additionally, the Registrant may receive the following benefits from the custodians: financial start-up support; reimbursement to clients for transfer costs to the platform/custodian; financing services, receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Solicitor or Promoter Arrangements**

If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant pays that solicitor a referral fee in accordance with the requirements of the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure document and with a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.



If the Registrant introduces a client to another investment adviser or an investment manager, the Registrant is usually paid a referral fee in accordance with the requirements pursuant to regulation under the Advisers Act, and any corresponding state securities law requirements. Any such referral fee shall be paid according to a fee disclosure statement provided to the client at the time that the referral is made. When the Registrant is acting as an unaffiliated source of referral, the Registrant, at the time of the referral, shall disclose the nature of its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written disclosure documents and with a copy of a written disclosure statement disclosing the financial terms of the arrangement between the Registrant and the investment adviser or investment manager receiving the referral, including the compensation to be received by the Registrant.

### **LPL Financial Transition Assistance**

The Registrant and its Dually Registered Persons have a financial incentive to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL Financial also provides other compensation to the Registrant and its Dually Registered Persons, including but not limited to, bonus payments, forgivable and non-forgivable loans, stock awards and other benefits. This compensation may be based on participation in advisory programs sponsored by LPL Financial and derived from advisory fees paid to LPL Financial.

The receipt of any such compensation creates a financial incentive for your IAR to recommend LPL Financial as custodian for the assets in your advisory account and as advisory program sponsor. We encourage you to discuss any such conflicts of interest with your IAR before making a decision to custody your assets at LPL Financial and utilize an LPL Financial advisory program.

### **Gifts and Entertainment**

The Registrant, its employees, and IARs receive additional compensation, business entertainment and gifts from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation includes such items as gifts valued at less than \$500 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with conferences, educational meetings, customer appreciation events, marketing events or advertising initiatives. Product sponsors also pay for, or reimburse Registrant and its IARs for the costs associated with, education and training events that are attended by Registrant's employees and IARs and for PAG-sponsored conferences and events. Any such support payments are not tied to the sales of any products or client assets in the products. IARs do not receive any portion of these payments. The Registrant, its employees, and IARs also receive reimbursement from product sponsors for technology-related costs, such as those to build systems, tools and new features to aid in serving customers.

### **Other PAG Compensation**

As detailed above the Registrant provides transition assistance to certain IARs, which creates a conflict of interest in that an IAR has a financial incentive to recommend that a client open and maintain an account with the Registrant and to recommend switching investment products or services where a client's current investment options are not available through the Registrant or its custodians, in order to receive the transition assistance, and in cases of businesses not supported by the Registrant or its custodians, to further recommend that a client's current holdings be reinvested in an option that the Registrant does support.

The Registrant provides loans and other financial assistance to IARs. This presents a conflict of interest as the Registrant has an interest in collecting on the loan, which impacts its ability to objectively supervise the IAR.

### **Ownership Interest in Doing-Business-As ("DBA") Entities**

Some IARs operate through independent practices with a separate Doing-Business-As (or "DBA") designation. In some cases, the Registrant may partially or wholly own such practices, and have a financial interest in the business success of the DBA as a whole, or in a particular element of the DBA via specific ownership interests in its brokerage, advisory, insurance, or other financial services business (or any combination thereof). Clients should ask their IAR about the extent to which the Registrant has a financial interest in the IAR's practice.

### **Outside Business Activities**

The Registrant permits its IARs to engage in approved outside business activities ("OBA"). Disclosable OBAs are



listed on an individual IAR's Brochure Supplement. In certain instances, IARs also engage in one-off business transactions with clients, which do not qualify for disclosure as an OBA. As the existence of an OBA presents the potential for a conflict of interest with the IAR's advisory advice to clients, clients should review the IAR's Brochure Supplement and ask the IAR about any listed OBAs.

## Item 15 Custody

The Registrant does not have custody of client funds or securities—except in the circumstances detailed below. All client investment funds are held by a custodian in accounts identified individually to the client and about which the client will receive regular statements. Any funds being deposited for investment should be payable to the custodian where the account is held, not to the Registrant or one of its IARs. Although consolidating client assets in an omnibus account could create some marketplace advantages, the Registrant has determined to adopt a policy of using individual client accounts at an independent custodian to provide greater security and transparency to its clients.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer, custodian or program sponsor for the client accounts. The Registrant has the ability to have its advisory fee for each client debited by the custodians on a quarterly basis. Where the Registrant has the ability to have its fees debited in this manner, it is deemed to have custody, but is not subject to surprise audit. In some cases, payment of fees may be made directly to the Registrant by clients, but never to IARs.

In February 2017, the SEC issued a no action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The Letter provided guidance on the Custody Rule as well as clarified that an advisor who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our qualified custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment advisor, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other
- information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment advisor.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

The Registrant may also provide a written periodic report summarizing account activity and performance. Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, clients are urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client executes an Investment Advisory Agreement, naming the Registrant as the client's agent and attorney-in-fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on



the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## Item 18 Financial Information

The Registrant is not required to include its balance sheet for the most recent fiscal year.

The Registrant is unaware of any financial condition that is likely to impair its ability to meet its commitments to clients.

The Registrant has not been the subject of a bankruptcy petition.

## ANY QUESTIONS?

The Registrant's Chief Compliance Officer, James Hooks, is available to address any questions that a client or prospective client can have regarding the above disclosures and arrangements. Should a client or prospective client have any questions, please contact Mr. Hooks at (973) 538-7010.



## Supplement

# PART 2B - BROCHURE

### Item 1 Cover Page

A.

**Thomas M Brown CLU®**

Joseph Klein Associates LLC  
1122 Kenilworth Drive, Suite 305  
Towson, Maryland 21204  
410-842-6311  
<https://www.financeforward.me>

Private Advisor Group, LLC  
Part 2B - Brochure Supplement  
Dated 05/09/2025

Contact: James Hooks, Chief Compliance Officer  
Private Advisor Group, LLC  
305 Madison Avenue, PO Box 1820  
Morristown, New Jersey 07962  
973-538-7010  
[www.PrivateAdvisorGroup.com](http://www.PrivateAdvisorGroup.com)

B.

This Brochure Supplement provides information about Thomas Brown that supplements the Private Advisor Group, LLC Brochure. You should have received a copy of that Brochure. Please contact James Hooks, Chief Compliance Officer, if you did not receive Private Advisor Group, LLC's Brochure or if you have any questions about the contents of this supplement. Additional information about Thomas Brown is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Item 2 Education Background and Business Experience

Thomas Brown was born in 1953.

### Education

The Johns Hopkins University  
Master of Arts, 1981, History of Science

University of Michigan  
Bachelor of Arts, 1976, Intellectual History

### Business Experience

Member, Joseph Klein Associates, LLC  
1983 to present

Investment Advisor Representative, Private Advisor Group  
2012 to present

Registered Representative, LPL Financial  
2012 to present

Member, Finance Forward, LLC  
2018 to present

### Designations

CLU®

Mr. Brown has held the designation of Chartered Life Underwriter (CLU®) since 1989. CLU® is a financial planning designation for the insurance industry conferred by The American College. Candidates must meet education, experience, examination, and continuing ethical requirements. Candidates must have at least three years of experience in the financial industry, or an undergraduate or graduate degree from an accredited university and two years of experience in the financial industry. Candidates are required to take eight academic courses each followed by an exam. The courses and exams cover topics in finance, investing, insurance, and estate planning.

## Item 3 Disciplinary Information

None

## Item 4 Other Business Activities

- A. Registered Representative of LPL Financial.** Mr. Brown is a registered representative of LPL Financial, an SEC registered and FINRA member broker-dealer which acts as a qualified custodian. Clients may choose to engage Mr. Brown in his individual capacity as a registered representative of LPL Financial to implement investment recommendations on a commission basis. Clients may also choose to custody investment assets with LPL Financial.





1. **Conflict of Interest.** When Mr. Brown recommends that a client purchase investment products on a commission basis or custody assets with a particular custodian, that recommendation presents a **conflict of interest**, as Mr. Brown may receive a financial benefit from LPL Financial, and therefore have an incentive to recommend investment products based on commissions or other compensation to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Mr. Brown. Clients are reminded that they may purchase investment products recommended by Registrant through other, non-affiliated broker dealers, and may choose to custody investment assets through non-affiliated custodians. **The Registrant's Chief Compliance Officer, James Hooks, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
  2. **Commissions.** In the event the client chooses to purchase investment products through a brokerage account with LPL Financial, brokerage commissions will be charged by LPL Financial to effect securities transactions, a portion of which commissions shall be paid by LPL Financial to Mr. Brown. The brokerage commissions charged by LPL Financial may be higher or lower than those charged by other broker-dealers. In addition, LPL Financial, as well as Registrant's Associated Persons, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment. The securities commission business conducted by Mr. Brown is separate and apart from Registrant's investment management services discussed in the Registrant's Brochure.
  3. **Other Compensation.** In the event the client chooses to purchase investment products through a brokerage account with LPL Financial, or custody investment assets with LPL Financial, Mr. Brown may receive compensation other than commissions from LPL Financial. Other compensation may include bonuses based on production, stock options to purchase shares of LPL Financial's parent company, LPL Investment Holdings Inc., reimbursement of fees that your financial advisor pays to LPL Financial for items such as administrative services, and other things of value such as free or reduced-cost marketing materials, payments in connection with the transition from another investment firm to LPL, or attendance at LPL Financial conferences and events. These types of compensation from LPL Financial may be based on overall business production and/or on the amount of assets serviced in LPL Financial advisory programs. Clients are reminded that they may purchase investment products recommended by Registrant through other, non-affiliated broker dealers, and may choose to custody investment assets through non-affiliated custodians.
- B. Insurance License.** Mr. Brown holds a license to sell insurance, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage Mr. Brown to purchase insurance products on a commission basis. **Conflict of Interest:** The recommendation by Mr. Brown that a client purchase an insurance commission product presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from Mr. Brown. Clients are reminded that they may purchase insurance products recommended by Mr. Brown through any other, non-affiliated insurance agent, insurance broker or insurance producer. **The Registrant's Chief Compliance Officer, James Hooks, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

#### Item 5 Additional Compensation

Mr. Brown may receive compensation from product sponsors. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational or training events or marketing or advertising initiatives. Such compensation may not be tied to the sale of any products.

#### Item 6 Supervision



The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the supervision requirements of Section 203(e)(6) of the Investment Advisers Act ("Act"). The Registrant's Chief Compliance Officer, James Hooks, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee, independent contractor, investment adviser representative, or solicitor of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. Hooks at 973-538-7010.

#### **Item 7 Additional Addresses**

None



## Supplement

# PART 2B - BROCHURE

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Finance Forward, LLC  
1122 Kenilworth Drive, Suite 305  
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#### **Item 7 Additional Addresses**

None





# PRIVATE ADVISOR GROUP

# PRIVACY NOTICE

Who We Are	
Who is providing this notice?	<p>Private Advisor Group, LLC, a registered investment advisor. Our affiliates include the following: PAG Holdings, LLC, PAG Financial, LLC, PAG Partnership Holdco, LLC, PAG Legacy Partners, LLC, and Private Advisor Network, LLC, but none of these entities provide our customers with financial services.</p> <p>Our investment advisor representatives maintain independent financial services practices that create records of the services that they provide. Some of our investment advisor representatives are also representatives or agents of other companies including LPL Financial, and insurance or banking companies.</p>

Facts	What does Private Advisor Group do with your personal information?
How does Private Advisor Group protect my personal information?	We are required by federal law to protect your confidential information from unauthorized access and use. We use administrative and technical methods to protect your information, including rules and procedures and computer safeguards.
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
How does Private Advisor Group collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>Open an account agreement</li> <li>Apply for insurance retirement</li> <li>Seek advice about your investments</li> <li>Enter into an investment advisory</li> <li>Tell us about your investor or portfolio</li> </ul> <p>We also collect information from others, such as when the custodian holding your assets is authorized by you to send us updates about your portfolio.</p>
What?	<p>The types of personal information we collect can include:</p> <ul style="list-style-type: none"> <li>Social Security Number</li> <li>Income</li> <li>Assets</li> <li>Investment experience</li> <li>Account transactions</li> <li>Retirement Assets</li> </ul>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Private Advisor Group chooses to share personal information and whether you can limit this sharing.
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>Affiliates from using your information to market to you</li> <li>Sharing for nonaffiliates to market to you</li> <li>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</li> </ul>



Reasons We Can Share Your Personal Information	Does Private Advisor Group share?	Can you limit this sharing?
For our everyday business purposes, such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	Yes	No
For our marketing purposes to offer products and services to you.	No	We don't share
For joint marketing with other financial companies	Yes	No
For nonaffiliates to market to you – for clients with accounts established with Private Advisor Group representatives at banks or credit unions	No	We don't share
For nonaffiliates to market to you – for clients with accounts established with Private Advisor Group independent representatives.	Yes*	Yes
* If your advisor terminates his or her relationship with us and moves to another brokerage or investment advisory firm, your advisor has records of the services they provided to you that they can retain subject to laws requiring them to maintain those records as private. .		

Definitions	What does Private Advisor Group do with your personal information?
Affiliates	Companies related by common ownership or control. They can be financial or nonfinancial companies.  Private Advisor Group does not share personal information with affiliated companies under common ownership or control. Some of our investment advisor representatives are representatives or agents of other companies including LPL Financial, and insurance or banking companies.
Nonaffiliates	Companies not related by common ownership or control. They can be financial or nonfinancial companies.  Private Advisor Group does not share with nonaffiliates so they can market to you.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you:  This may include banks, credit unions, or other financial institutions with which we have a joint marketing agreement.

Questions?	For more information, go to <a href="http://www.privateadvisorgroup.com">www.privateadvisorgroup.com</a> or contact <a href="mailto:riacompliance@privateadvisorgroup.com">riacompliance@privateadvisorgroup.com</a> , or call 973-538-7010
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Important Information
<p>Information for Vermont Customers - In response to Vermont regulation, if we disclose personal information about you to nonaffiliated third parties with whom we have joint marketing agreements, we will only disclose your name, address, other contact information, and information about our transactions or experiences with you.</p> <p>Information for California Customers - In response to California law, we automatically treat accounts with California billing addresses as if you do not want to disclose personal information about you to nonaffiliated third parties except as permitted by the applicable California law.</p> <p>Information for Alaska Customers - In response to Alaska law, if your financial advisor terminates his or her relationship with us and moves to another brokerage or investment advisory firm and your primary address is in Alaska, you must give your written consent before we will allow your financial advisor to take any of your personal information to his or her new brokerage or investment advisory firm.</p>

# Mail-In Notice

# Privacy Choices Notice

(To be used by clients of Private Advisor Group advisors who are not clients of advisors associated with a bank or credit union)

If you would like to limit the personal information that your financial advisor could disclose or take if he or she moved to another brokerage or investment advisory firm and terminated the relationship with Private Advisor Group, please complete and mail the form to:

**Private Advisor Group**  
305 Madison Ave, PO Box 1820  
Morristown, NJ 07962

You can withdraw your opt-out choice at any time by contacting us in writing at the address provided above. Filing a Privacy Choices Notice will revoke any previously filed Privacy Choices Notice. If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as Alaska), then you must give your written consent before we will allow your financial advisor to take any of your personal information to that New Firm.

Please be aware that Private Advisor Group entered into the Protocol for Broker Recruiting (Protocol) on July 18, 2013, with certain other financial services firms, and if Private Advisor Group remains a signatory to the Protocol as of the effective date of your advisor's termination from Private Advisor Group, then Private Advisor Group will permit your financial advisor to take your name, address, phone number, email address, and the account title of the accounts serviced (or additional information as permitted if the Protocol is amended while your financial advisor was associated with Private Advisor Group) if your advisor joins one of these Protocol brokerage firms. The retention of this limited information by your advisor under the Protocol may occur even if you have exercised your rights to limit information sharing as described above.

- ☐ Limit the personal information about me that my financial advisor could disclose or take if he or she moves to another brokerage or investment advisory firm and terminates the relationship with Private Advisor Group. However, I understand that Private Advisor Group may disclose my name, address, telephone number, email, and the account title of the accounts serviced by my advisor to the new brokerage or investment advisory firm as allowed under federal and certain state laws and the Protocol.

Please note that for accounts held jointly by two or more persons, the privacy choices made by any account holder apply to all joint holders with respect to the account. In order for your opt-out election to be effective, you must complete ALL of the following information:

**In order for your opt-out election to be effective, you must complete ALL information:**

MY FINANCIAL ADVISOR is (name): \_\_\_\_\_

- ☐ If MY FINANCIAL ADVISOR leaves Private Advisor Group for a new firm, I consent to  
☐ MY FINANCIAL ADVISOR taking my personal information with him or her. I do not consent to any financial advisor taking my information to any other firm.

**Customer 1:**

Name (Please print clearly) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone Number \_\_\_\_\_

SSN (last 4 digits) XXX-XX- \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

**Customer 2:**

Name (Please print clearly) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone Number \_\_\_\_\_

SSN (last 4 digits) XXX-XX- \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

**Additional Information regarding the Private Advisor Group Privacy Notice**

For clients of LPL advisors also affiliated with a bank, credit union, or other financial institution

If your account was opened in our offices located at a financial institution, such as a bank, thrift or credit union, and that financial institution decides to enter into a relationship with a new financial service provider, we may share your information with that new financial service provider so that your account can continue to be serviced.