

PATRICK FINANCIAL GROUP, L.L.C.- March 25, 2024
FORM CRS – Customer Relationship Summary
Material Changes

On March 25, 2024, the firm updated Form CRS for annual amendment. No material changes to report.

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FORM CRS - Customer Relationship Summary

#1. Introduction: Brokerage and investment advisory services and fees differ, and that it is important for you to understand these differences. There are different ways in which you might be able to get help with your investments. A potential client should consider carefully the types of accounts and services that are right for him or her. We are an SEC-registered investment adviser. This is different from a brokerage firm that offers brokerage accounts and services. Free and simple tools are available for you to research firms and financial professionals at investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisors and advising. This document will provide to you a summary of the types of services that we provide and the fees that you pay.

#2. Relationships and Services. *What investment services and advice can you provide me?*

- i. We are a firm that provides fee-based, advisory accounts directly to individuals, high net worth individuals, trusts and private businesses. We will offer you advice on a regular basis. Patrick Financial Group, L.L.C. (PFG) will discuss with you your investment goals and risk tolerances. We will design a strategy to help you achieve those goals. We will regularly monitor your account. We will correspond with you by phone or in writing (paper or electronically) at least quarterly, regarding your investments.
- ii. We operate its client accounts in a way that allows us to buy and sell investments without asking you in advance to do so. This is called a “discretionary account.”
- iii. Our investment advice will cover a limited selection of types of investments, including mutual funds, fixed income and cash investments. In most cases, ETF’s (electronically traded funds) or other mutual funds. We mainly choose ETF’s because of their low cost to the client and their flexibility in trading. However, other firms might provide advice on a wider range of products and services, which might have lower costs.
- iv. If you open an advisory account with us, you will pay an on-going monthly **asset-based fee**, paid in arrears, which is calculated and debited in the first half of the following month. The fee is calculated using the value of the cash and investments held in your advisory account. Our account minimum is \$50,000.00.

Conversation Starter - Ask your financial professional:

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

#3. Fees & Costs/Conflicts & Standards of Conduct.

Conversation Starter - Ask your financial professional:

What fees will I pay? 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 acting as my investment advisor? How else does your firm make money and what conflicts of interests do you have?

- i. The amount that you pay to us does not vary based on the types of investments that we choose on your behalf. The asset-based monthly fee reduces the value of your account and is deducted monthly from your account.
- ii. Fees and costs can reduce the value of your account over time. Make sure you understand the fees you are paying.
- iii. Our fees can vary, based on a breakpoint schedule contained in our advisory contract. The amount a client will pay is based, for example, on the overall value of the account and the types of services performed. Depending on the value of the breakpoints and the value of your account, your fee might be lower or higher.
- iv. You may pay a transaction fee when we buy or sell an asset. You will also pay a fee for the holding and servicing of your account, which is separate from our advisory fee and is charged through our third-party administrator and broker-dealer.
- v. The more money that is in your account, the more you will pay in the form of your monthly fee. You will pay a monthly fee, even if there are no transactions that month.
- vi. Ask us for our Form ADV Part 2A Brochure Item #5 for details about our services and fees.

Our Obligations to You. *We must abide by certain laws and regulations in providing our services to you and your investment portfolio. What are our legal obligations to you when acting as your investment advisor and how will we address them?* As an investment advisor, we are held to a fiduciary standard, during the entirety of our advisory relationship with you. What that means is that we have to act in the best interests of our clients at all times. As an example, we are required to monitor your portfolio, your investment strategies and risk tolerances and your investments on an ongoing basis. We make those findings and recommendations based on what is in the best interests of you. Our interests can sometimes conflict with your interests. As an advisory, we work to either eliminate those conflicts or tell you about the conflicts in a way that you can understand, so that you have the information that you need to decide whether or not that you agree with them.

Comparing Patrick Financial Group with a Typical Brokerage Account - As an alternative to an advisory account, you could open a brokerage account, with a broker-dealer, where a client will pay a transaction-based fee (or a commission) when the broker-dealer buys or sells an investment. A broker-dealer might also feature the following:

- i. You may select investments or the broker-dealer may recommend investments for your account. However, the ultimate decision for your investment strategy and the purchase and sale of investments is yours, not the broker-dealer.
- ii. A broker-dealer must act in your best interests too. Meaning, it cannot place its interests ahead of yours, when recommending an investment or an investment strategy that involves securities. When a broker-dealer provides a service to you, the broker-dealer must treat you fairly and honor its own specific obligations. Unless you and the broker-dealer agree to something different, the broker-dealer is not required to monitor ongoing your investments or portfolio.
- iii. If you were to pay a transaction-based fee in a brokerage account, the larger amount of trades, the more fees the broker-dealer will likely charge you. A broker-dealer has an incentive for you to trade often.

Conflicts of Interest. *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?*

When we provide you with a recommendation 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 that we provide to you. Here are some examples to help you understand what this means:

- i. We make money through charging our monthly advisory fee. The more assets in your account, the higher the monthly fee, therefore, there may be an incentive to encourage you to increase the assets in your account. We can make additional money by advising you to invest in certain investments, such as insurance or an annuity. Your financial professional also receives more money if you buy such an investment. This is earned in the form of a commission. This is separate from the monthly advisory fee.
- ii. We receive a monthly financial incentive from the third-party administrator, through which we were able to reduce monthly advisory fees charged to clients, beginning in 2017.

#4. Disciplinary History. We have no legal or disciplinary history to report.

- i. For additional information on our advisory services, see our Form ADV brochure on IAPD on investor.gov or on our website, patrickfinancialgroup.com, and any brochure supplement that your financial professional might provide.
- ii. To report a problem to the SEC, visit investor.gov or call the SEC's toll-free investor assistance line at 1-800-732-0330. If you have a problem with your investments, account or financial professional, contact us in writing at 824 West Grand River Avenue, Brighton, MI 48116.
- iii. Visit Investor.gov/CRS for a free and simple search tool to research you and your financial professionals.

Conversation Starter: Do you or your financial professionals have legal or disciplinary history?

#5. Additional Information. We encourage you to seek additional information. Contact John B Pelon at 824 West Grand River Avenue, Brighton, MI 48116. Phone: 810-225-9876.

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