



**PATRICK FINANCIAL GROUP, L.L.C.**  
A REGISTERED INVESTMENT ADVISORY FIRM

---

[www.PatrickFinancialGroup.com](http://www.PatrickFinancialGroup.com)

824 West Grand River Avenue  
Brighton, MI 48116  
1-810-225-9876

[jpelon@patrickfinancialgroup.com](mailto:jpelon@patrickfinancialgroup.com)

Brochure dated March 25, 2025

This brochure provides information about the qualifications and business practices of Patrick Financial Group, L.L.C. If you have any questions about the contents of this brochure, please contact us at 1-810-225-9876 / [jpelon@patrickfinancialgroup.com](mailto:jpelon@patrickfinancialgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state security authority.

Additional information about Patrick Financial Group, L.L.C. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Although Patrick Financial Group, L.L.C. is a Registered Investment Advisory Firm, please be advised the term "Registered" does not imply a certain level of skills or training.

---

## ITEM 2 – MATERIAL CHANGES

---

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The material changes include the following:

- No material changes to report.

If you would like another copy of this Brochure, you may contact us at 1-810-225-9876 [jpelon@patrickfinancialgroup.com](mailto:jpelon@patrickfinancialgroup.com).

We encourage you to read this document in its entirety.

---

**ITEM 3 – TABLE OF CONTENTS**

---

ITEM 1 – COVER PAGE	1
ITEM 2 – MATERIAL CHANGES	2
ITEM 3 – TABLE OF CONTENTS	3
ITEM 4 – ADVISORY BUSINESS	4
ITEM 5 - FEES AND COMPENSATION	6
ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT	8
ITEM 7 - TYPES OF CLIENTS	8
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	8
ITEM 9 - DISCIPLINARY INFORMATION	11
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	11
ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	13
ITEM 12 - BROKERAGE PRACTICES	14
ITEM 13 - REVIEW OF ACCOUNTS	17
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	17
ITEM 15 – CUSTODY	18
ITEM 16 – INVESTMENT DISCRETION	18
ITEM 17 – VOTING YOUR SECURITIES	19
ITEM 18 – FINANCIAL INFORMATION	19

---

#### **ITEM 4 – ADVISORY BUSINESS**

---

This Disclosure document is being offered to you by Patrick Financial Group, L.L.C. (“PFG” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment advisory firm located in Brighton, Michigan. We specialize in investment advisory services for individuals, high net worth individuals, charitable organizations, foundations, trusts and estates. Our Firm became a registered investment adviser in 2002. John B. Pelon is the President of the firm.

PFG offers to clients a comprehensive fact-finding process, which normally results in recommendations on investment strategies, consistent with a client’s investment objectives and risk tolerances. Additionally, PFG works with clients to ensure that their portfolio is properly allocated and diversified, and re-balanced when necessary and appropriate, to keep within the stated objectives and tolerances of the client.

The client will meet with PFG for the initial meeting to determine the client’s priorities and preferences. This is done through comprehensive fact-finding. If it is determined that PFG’s services and the client’s priorities and preferences align, then additional meetings are scheduled. During these series of meetings, investment objectives and risk tolerance are determined, and clients can express their need for restrictions on a case-by-case basis.

#### **Investment Management Services**

We manage advisory accounts on a discretionary basis. Once we have determined a profile and investment plan with a client, we will facilitate the day-to-day transactions without seeking prior client consent. Account supervision is guided by the written profile and investment plan of the client. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among no-load mutual funds and Exchanged Traded Funds (“ETFs”) in accordance with their stated investment objectives. PFG does have a handful of clients who owned REITS prior to PFG acting as their Investment Advisor. PFG did not market these REITS, nor does PFG act as Custodian for these REITS, they are housed at Charles Schwab under PFG business.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet your financial objectives. We advise these portfolios based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. If you have restrictions on investing in certain securities or types of security, you must leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about concentrated stock positions or legacy positions held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

#### **Disclosure Regarding Rollover Recommendations**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. 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.

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retire-



ment Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

#### **Wrap Fee Program**

We do not place client assets into a wrap fee program.

#### **Assets**

As of February 18, 2025, we have \$143,663,235 in assets under discretionary management and no non-discretionary assets under management.

---

### **ITEM 5 - FEES AND COMPENSATION**

---

#### **Investment Management Fees and Compensation**

Our Firm charges a fee as compensation for providing Investment Management services on your account. These services include advisory services, trade execution, investment supervision, and other account-maintenance activities. See Additional Fees and Expenses below for additional details.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro-rata basis and billed monthly in arrears. The monthly fee will be calculated on the average daily balance of the account. The value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances. Margin account balances are not included in the fee billing.

As of January 2013, client(s) advisory fees are 1.40% a year of net assets under management computed. Accounts prior to January 2013, may have higher or lower fees. The specific advisory fees are set forth in your Investment Advisory Agreement.

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated.

Additional fees are paid to Orion Portfolio Solutions ("OPS") per the PFG Investment Advisory Agreement. The client's OPS asset based monthly fees are calculated by OPS and deducted from assets in arrears at the beginning of the following month. OPS asset-based fee schedule for combined household accounts as follows:

<u>From</u>	<u>To</u>	<u>Fee Schedule</u>
\$0.00	\$50,000.00	0.45%
\$50,000.01	\$100,000.00	0.35%
\$100,000.01	\$250,000.00	0.20%
\$250,000.01	\$500,000.00	0.175%
Over	\$500,000.01	0.15%

Please note that OPS fees are shared with PFG.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a monthly basis indicating all the amounts deducted from the account including our advisory fees.

Either PFG or you may terminate the Investment Advisory Agreement with 10-day written notice by either party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given and the unearned fee refunded to your account as indicated in your Agreement. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, PFG will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

#### **Administrative Services Provided by Orion Portfolio Solutions ("OPS")**

We have contracted with OPS to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database

maintenance, quarterly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, OPS will have access to client accounts, but OPS will not serve as an investment adviser to our clients. PFG and OPS are non-affiliated companies. OPS charges our Firm an annual fee for each account administered by OPS. The client's OPS asset based monthly fees are calculated by OPS and deducted from assets in arrears at the beginning of the following month. The calculation is as follows: The average daily balance of the client account for the month, times the fee rate, times the amount of days in the month, divided by the amount of days in the year.

**Additional Fees and Expenses:**

In addition to the advisory fees paid to our Firm, clients may also incur certain charges that include SEC fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses). PFG brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above.

---

**ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

---

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage side by side management.

---

**ITEM 7 - TYPES OF CLIENTS**

---

We provide investment advice to individuals and high-net worth individuals. Our minimum initial account value is \$50,000; however, we may accept accounts for less than the minimum at our sole discretion.

---

**ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

---

The methods used to analyze investment strategies include, but are not limited to, comprehensive research provided by market research investment publications such as Morningstar as well as PFG's own proprietary research. Strategies that are recommended by PFG comprise a combination of funds invested in domestic and global markets and include funds that hold positions in various market sectors, both domestically and globally. Funds can, and usually do, hold both a combination of stocks, bonds and ETF's with the goal of maximizing the diversification of a client's portfolio, while at the same time, keeping true to a client's particular risk tolerances and investment goals. By way of example, funds utilized by PFG in the past include, but are not limited to: Fidelity, PIMCO, T. Rowe Price, Longboard Funds, Vanguard Funds, Rydex, ETF Shorts, Dow shorts, S&P Shorts, iShares and Power Shares. A client should be aware that investing in



securities involves the risk of loss and this should be something that a PFG client should be prepared to bear.

The portfolios run the gamut from conservative to aggressive and include a mix of cash, bond, ETF and stock investments to serve a spectrum of clientele and their investment needs and goals. By way of example, the Conservative portfolio traditionally holds approximately 90% of its position in bonds, and 10% in stocks. Such a portfolio might be proper for a conservative client who is concerned about preservation of their principal or earning the interest income that a bond position traditionally affords. At the other end of the investment spectrum the growth portfolio is the most aggressive portfolio, with a position traditionally holding 98% equities and as little as 2% in cash, depending on market conditions. Such a portfolio might be appropriate for an investor who is not averse to risk, and who might seek a greater return on investment over a period of time. PFG does reserve the right to use funds other than Mutual Funds for its portfolios like ETF's. Note: Proper allocation and diversification do not guarantee a profit, but aid in managing risk for the client. PFG concentrates its practice in preservation of principal for its clients, in that a large degree of PFG clients are retirees or pre-retirees.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Liquidity Risk** - Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

**Cybersecurity Risk.** Cybersecurity risks include both intentional and unintentional events at PFG or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because dif-

ferent or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

---

#### **ITEM 9 - DISCIPLINARY INFORMATION**

---

We do not have any legal, financial or other “disciplinary” item to report.

---

#### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

---

Accounting & Tax Solutions, Inc. acquired PFG as of 1/1/2022. PFG is a wholly owned affiliate of Accounting & Tax Solutions, Inc. Accounting & Tax Solutions, Inc. is a corporation organized under the laws of the State of Michigan since March of 1997. Accounting & Tax Solutions, Inc. is 100% owned by James R. Sullivan, CPA. In some cases, PFG may refer a client to Accounting & Tax Solutions, Inc. an affiliate of PFG. The services provided by Accounting & Tax Solutions, Inc. are independent from PFG advisory services, but may be viewed as a conflict of interest.

ATS Capital Advisors (hereinafter ATS) is also a wholly owned affiliate of Accounting & Tax Solutions, Inc. and is 100% owned by James R. Sullivan, CPA. ATS provides investment advisory, financial planning, and estate planning services to many types of clients including individuals, pension, profit sharing and other forms of retirement plans, trusts, estates, charitable organizations and corporations.

OPS has been selected by PFG to act as a Turn-key Asset management Program (TAMP) which provides statements for clients in a record-keeping fashion. Charles Schwab acts as the custodian for mutual funds/ETF's purchased by clients. Charles Schwab does effect mutual fund/ETF trades on behalf of clients, per the advisory contract. PFG maintains a relationship with multiple insurance companies, including: Midland National, Allianz, Genworth, West Coast, American Equity, Banner Life, Mutual of Omaha, Equitrust, ING and Pruco. IAR's of PFG can receive a commission for insurance products purchased by clients, recommended by an IAR, which may create a conflict of interest. However, an IAR works with clients on an individual and case-by-case basis. Insurance of varying kinds is discussed as part of the comprehensive fact-finding process and PFG understands and believes that insurance is also necessary with respect to wealth preservation and good planning. PFG and its employees utilize its code of ethics to ensure that any recommendation of insurance for a client is both appropriate to the client's overall objectives and is necessary for the protection of the client and their family. Disclosure: Although PFG, as part of the fact-finding process may make recommendations for clients to obtain insur-

ance products to enhance their financial plan, clients are advised that same or similar products might be available through other companies and at lesser cost. Ultimately the client can reserve the right to purchase insurance or insurance products from the entity or individual of their choosing.

### **Insurance**

IARs of PFG may act as agents appointed with various life, disability or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. You have the right to decide whether or not to act on the insurance recommendations from PFG's IARs. If you decide to act upon our insurance recommendations, you have the right to choose the insurance professional to use to purchase the insurance products through PFG's IAR or any licensed insurance agent not affiliated with PFG. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

Clients should be aware that the ability to receive additional compensation by PFG and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. PFG endeavors at all times to act in the best interest of its clients. As part of our fiduciary duty as a Registered Investment Adviser, we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- we conduct regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.



IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

#### **ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of PFG, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of PFG shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised employee of PFG shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of PFG.

3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any supervised employee not in observance of the above may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

---

#### **ITEM 12 - BROKERAGE PRACTICES**

---

As stated in the PFG client contract, PFG utilizes OPS as a third-party record-keeper for PFG clients. OPS and Charles Schwab have partnered together and Charles Schwab acts as a broker-dealer and custodian of client funds. Note: not all advisers require their clients to direct brokerage through a particular broker-dealer. While PFG has determined that OPS and Charles Schwab bring appropriate value to the clients PFG services, clients should be aware they may be able to obtain more economical brokerage services elsewhere. However, any desire by a client to utilize brokerage services by a broker-dealer unrelated to PFG or Charles Schwab must first be approved by PFG.

We participate in the Charles Schwab program, member FINRA/SIPC. Charles Schwab is an independent and unaffiliated SEC-registered broker-dealer. Charles Schwab offers services to independent investment advisors that include custody of securities, trade execution, clearance and settlement of transactions.

There is no direct link between our participation in the program and the investment advice we give to our clients, we receive economic benefits through our participation in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Charles Schwab may also have paid for business consulting and professional services received by some of

our related persons. Some of the products and services made available by Charles Schwab through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at Charles Schwab. Other services made available by Charles Schwab are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to Charles Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of Charles Schwab for custody and brokerage services.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at Charles Schwab. We may recommend that you establish accounts with Charles Schwab to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

#### Aggregation and Allocation of Transactions

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing clients (if any) and the broker/dealer(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek

best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.

3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

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

Our Firm does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.

#### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will



be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs.

### **Directed Brokerage**

We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We facilitate trades for your account subject to our duty to seek best execution and other fiduciary duties.

---

## **ITEM 13 - REVIEW OF ACCOUNTS**

---

### **Account Reviews and Reviewers – Investment Supervisory Services**

Our Investment Adviser Representative will monitor client accounts on a regular basis and perform annual reviews with each client upon client or firm request. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews. On occasion, a client may want a more frequent review and those are scheduled and provided to the client at the client's request.

### **Statements and Reports**

The custodian for the individual client's account will provide clients with an account statement at least monthly. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar year. You are urged to compare the reports provided by PFG against the account statements you receive directly from your account custodian.

---

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

---

PFG does not pay referral fees or receive compensation for referrals.

As disclosed under Brokerage Practices, we participate in Charles Schwab institutional customer program and we may recommend Charles Schwab to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, we receive economic benefits through our participation in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the

ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Charles Schwab may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by Charles Schwab through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at Charles Schwab. Other services made available by Charles Schwab are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to Charles Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of Charles Schwab for custody and brokerage services.

---

#### **ITEM 15 – CUSTODY**

---

We do not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

For all accounts, our firm has the authority to have fees deducted directly from client accounts. Our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from PFG. When you have questions about your account statements, you should contact PFG or the qualified custodian preparing the statement.

Please refer to Item 5 for more information about the deduction of adviser fees.

---

#### **ITEM 16 – INVESTMENT DISCRETION**

---

For discretionary accounts, prior to engaging PFG to provide investment advisory services, you will enter into a written Agreement with us granting the firm the authority

to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable PFG, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or any other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment and brokerage discretion held by PFG is a requirement that will be provided with authority to determine which securities and the amounts of securities to be bought or sold.

---

#### **ITEM 17 – VOTING YOUR SECURITIES**

---

We will **not** vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at 810-225-9876.

---

#### **ITEM 18 – FINANCIAL INFORMATION**

---

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

