



# Regulation Best Interest Disclosure

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This guide summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, we would like to remind you that we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, providing both brokerage services and investment advisory services. Our brokerage services are the primary focus of this guide. For more information on our investment advisory services and how they differ from brokerage, please review the Customer Relationship Summary (or Form CRS) available at <http://www.psainv.com>. Our Form CRS contains important information about the types of services we offer, both brokerage and investment advisory, along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information.

Please carefully review and consider the information in each section below.

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## Brokerage Services

When you establish a brokerage account with us, you have the ability to buy, sell and hold investments within your account. The primary service we provide is our trading capability. We execute purchases and sales on your behalf, and as directed by you. In a brokerage services relationship we can trade with you for our own account, for an affiliate or for another client, and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation. However, we are not required to communicate it in advance, obtain your consent, or inform you of any profit earned on trades.

### Cash Brokerage and Margin Brokerage Accounts

We provide brokerage services through either a cash brokerage account or margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firm, First Clearing<sup>1</sup>. This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned you is secured by securities in your account, also referred to as “collateral.” You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, contact a financial advisor or refer to our Margin Disclosure Statement available at <http://www.psainv.com>.

<sup>1</sup> First Clearing is a trade name used by Wells Fargo Clearing Services, LLC.

This document was produced for educational purposes only and is not an offer or recommendation of any specific service or product.

## Brokerage Account Types

We offer many different brokerage account types including individual and joint accounts, custodial accounts, Delivery Versus Payment (DVP) accounts, estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s). You should refer to our account agreement(s) for more information concerning available account types or speak with a financial advisor.

## Incidental Brokerage Services, Recommendations and Account Monitoring

Within your brokerage account, we may also provide other incidental services such as research reports, and recommendations to buy, sell, or hold assets. When we make a securities recommendation, investment strategy recommendation or recommendation to rollover assets from your Qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made orally to you. Moreover, when we act in a brokerage capacity, we do not agree to enter into a fiduciary relationship with you.

It is important for you to understand that when our financial advisors make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a financial advisor about whether an advisory services relationship is more appropriate for you.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

## Clearing Services

We have entered into an agreement with First Clearing (also referred to herein as "Clearing Agent") to carry your account and provide certain back office functions. We and First Clearing share responsibilities with respect to your account as set forth in the Designation of Responsibilities that was delivered to you upon opening of your account. Please refer to the Designation of Responsibilities for more information on how such responsibilities have been allocated between us.

## Understanding Risk

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-Risk investments may have the potential for higher returns but also for greater losses. The higher your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs.

Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum, with "Income" investors typically holding the smallest percentage of higher-risk investments, followed by "Growth and Income" investors holding some higher-risk investments, and finally "Growth" investors holding a significant portion of their portfolio in higher-risk investments. Risk tolerance also varies and we measure it on a continuum that increases from "Conservative" to "Moderate" to "Aggressive," and finally "Trading and Speculation."

## Generally Associated Risk Tolerance

### Income Investment Objective

**Typical Investment Objective Description** - Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.

- **Conservative** Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected income returns.
- **Moderate** Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
- **Aggressive** Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

### Growth and Income Investment Objective

**Typical Investment Objective Description** - Growth and Income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.

- **Conservative** Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns.
- **Moderate** Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.
- **Aggressive** Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

### Growth Investment Objective

**Typical Investment Objective Description** - Growth portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.

- **Conservative** Conservative Growth investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns.
- **Moderate** Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.
- **Aggressive** Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.

### Trading and Speculation

Trading and Speculation investors seek out a maximum return through a broad range of investment strategies which generally involve a high level of risk, including the potential for unlimited loss of investment capital.

Our recommendations are based in part on your risk tolerance and investment objective as outlined above. We encourage you to carefully consider your investment objective and risk tolerance before investing.

## Cash Sweep Program Feature

Our brokerage services include a Cash Sweep Program feature. This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically "swept" into a "Cash Sweep Vehicle," until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. You will receive additional information concerning the Cash Sweep Program in your account agreement(s). More information about the Cash Sweep Program can be found in the Cash Sweep Program Disclosure Statement available at <http://www.psainv.com>. Please review that Disclosure Statement carefully.

## Account Minimums and Activity Requirements

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account.

You should also understand that our financial advisors may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated financial advisor may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your financial advisor.

## Brokerage Service Model and Products

Painter, Smith & Amberg, Inc. is a full service broker.

## Brokerage Fees and Our Compensation

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees and costs involved.

### Transaction-Based Fees

You will pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds, annuity contracts, exercising options and other investment purchases and sale. These transaction-based fees are generally referred to as a "commission," "mark up," "sales load," or a "sales charge." Transaction-Based fees are based on a host of factors, including, but not limited to:

- Underlying product selection
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available discounts and/or fee waivers

### Account and Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you.

IRA and ESA:	\$50.00
Inactive accounts:	\$65.00
Mutual fund liquidation:	\$10.00
No-Load accommodation fee:	\$25.00
Outgoing account transfer fee:	\$75.00
Handling and postage fee	\$4.50 per transaction

### Advantage Account (Money Market Checking Account) Fees

Includes an initial supply of complimentary

personal-style checks and debit card:	Free
Reorder:	\$9.00
Initial supply of duplicate-style checks:	\$20.00
Additional debit card	\$15.00
Insufficient Funds:	\$20.00

### How We Are Compensated

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

Commission Schedule for Stocks, Rights, Warrants, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs)

This schedule below details the commission charged to you and received by us and your financial advisor for trades of stocks, rights, and warrants.

Commission

If share price is less than \$1 = 5% of Principal

If share price is greater than or equal to \$1

Odd Lot Principal	For quantities from 0 to 99
\$0 - \$99	= 11.7603% of odd lot principal + \$3.02
\$100 - \$799	= 3.0083% of odd lot principal + \$11.42
\$800 - \$2,499	= 1.8876% of odd lot principal + \$19.83
\$2,500 - \$4,999	= 1.3884% of odd lot principal + \$32.16
\$5,000 and above	= 1.423% of odd lot principal + \$32.91

Round Lot Principal	For quantities equal to 100
\$0 - \$99	= 11.7603% of round lot principal + \$3.02 with a maximum of \$95.35 per lot quantity-down
\$100 - \$799	= 3.0083% of round lot principal + \$11.42 with a maximum of \$95.35 per lot quantity-down
\$800 - \$2,499	= 1.8876% of round lot principal + \$19.83 with a maximum of \$95.35 per lot quantity-down
\$2,500 - \$4,999	= 1.3884% of round lot principal + \$32.16 with a maximum of \$95.35 per lot quantity-down
\$5,000 and above	= 1.423% of round lot principal + \$32.91 with a maximum of \$95.35 per lot quantity-down

Round Lot Principal	For quantities equal to 101 to 199
\$0 - \$99	= 11.7603% of round lot principal + \$3.02 with a maximum of \$95.35 per lot quantity-down + 11.7603% of odd lot principal + \$3.02
\$100 - \$799	= 3.0083% of round lot principal + \$11.42 with a maximum of \$95.35 per lot quantity-down + 3.0083% of odd lot principal + \$11.42
\$800 - \$2,499	= 1.8876% of round lot principal + \$19.83 with a maximum of \$95.35 per lot quantity-down + 1.8876% of odd lot principal + \$19.83
\$2,500 - \$4,999	= 1.3884% of round lot principal + \$32.16 with a maximum of \$95.35 per lot quantity-down + 1.3884% of odd lot principal + \$32.16
\$5,000 and above	= 1.423% of round lot principal + \$32.91 with a maximum of \$95.35 per lot quantity-down + 1.423% of odd lot principal + \$32.91

Round Lot Principal	For quantities from 200 and above
\$0 - \$199	= 11.7603% of round lot principal + \$3.02 + \$7.82 per lot quantity-down for the first 10 lots and \$5.62 per lot quantity-down thereafter for principal of \$0 - \$4,999 or \$8.07 per lot quantity-down for the first 10 lots and \$5.75 per lot quantity-down thereafter for principal of \$5,000 and above with a maximum of \$95.35 per lot quantity-down
\$200 - \$799	= 3.0083% of round lot principal + \$11.42 + \$7.82 per lot quantity-down for the first 10 lots and \$5.62 per lot quantity-down thereafter for principal of \$0 - \$4,999 or \$8.07 per lot quantity-down for the first 10 lots and \$5.75 per lot quantity-down thereafter for principal of \$5,000 and above with a maximum of \$95.35 per lot quantity-down

Round Lot Principal	For quantities from 200 and above
\$800 - \$2,499	= 1.8876% of round lot principal + \$19.83 + \$7.82 per lot quantity-down for the first 10 lots and \$5.62 per lot quantity-down thereafter for principal of \$0 - \$4,999 or \$8.07 per lot quantity-down for the first 10 lots and \$5.75 per lot quantity-down thereafter for principal of \$5,000 and above with a maximum of \$95.35 per lot quantity-down
\$2,500 - \$4,999	= 1.3884% of round lot principal + \$32.16 + \$7.82 per lot quantity-down for the first 10 lots and \$5.62 per lot quantity-down thereafter for principal of \$0 - \$4,999 or \$8.07 per lot quantity-down for the first 10 lots or \$5.75 per lot quantity-down thereafter for principal of \$5,000 and above with a maximum of \$95.35 per lot quantity-down
\$5,000 - \$19,999	= 1.342% of round lot principal + \$35.23 + \$7.82 per lot quantity-down for the first 10 lots and \$5.62 per lot quantity-down thereafter for principal of \$0 - \$4,999 or \$8.07 per lot quantity-down for the first 10 lots and \$5.75 per lot quantity-down thereafter for principal of \$5,000 and above with a maximum of \$95.35 per lot quantity-down
\$20,000 - \$29,999	= .9044% of round lot principal + \$118.97 + \$7.82 per lot quantity-down for the first 10 lots and \$5.62 per lot quantity-down thereafter for principal of \$0 - \$4,999 or \$8.07 per lot quantity-down for the first 10 lots and \$5.75 per lot quantity-down thereafter for principal of \$5,000 and above with a maximum of \$95.35 per lot quantity-down
\$30,000 - \$299,999	= .5963% of round lot principal + \$205.42 + \$7.82 per lot quantity-down for the first 10 lots and \$5.62 per lot quantity-down thereafter for principal of \$0 - \$4,999 or \$8.07 per lot quantity-down for the first 10 lots and \$5.75 per lot quantity-down thereafter for principal of \$5,000 and above with a maximum of \$95.35 per lot quantity-down
\$300,000 and above	= .2325% of round lot principal + \$1,204.92 + \$7.82 per lot quantity-down for the first 10 lots and \$5.62 per lot quantity-down thereafter for principal of \$0 - \$4,999 or \$8.07 per lot quantity-down for the first 10 lots and \$5.75 per lot quantity-down thereafter for principal of \$5,000 and above with a maximum of \$95.35 per lot quantity-down

Minimum \$40.00  
Maximum \$100.00 per lot

#### Option Rates Equity and Index

Options compensation is received as direct compensation, as described below.

#### 0 - 1 Contract

Principal	
\$0 - \$99	= 6.6144% of principal + \$4.17
\$100 - \$2,499.99	= 1.534% of principal + \$16.12
\$2,500 - \$4,455.99	= 1.0616% of principal + \$27.92
\$4,456 and above	= 1.00% of principal + \$87.50

## 2 or More Contracts

Price \$0 - \$0.99

Principal	Commission
\$0 - \$4,999.99	= 6.6144% of principal + \$2.20 per share + \$1.97
\$5,000 and above	= 6.3% of principal + \$2.10 per share + \$1.97

Price \$1 or more

Principal	Commission
\$0 - \$2,499.99	= 1.534% of principal + \$16.12 + \$7.08 for the first 10 contracts and \$4.72 thereafter
\$2,500 - \$4,999.99	= 1.0616% of principal + \$27.92 + \$7.08 for the first 10 contracts and \$4.72 thereafter
\$5,000 - \$19,999.99	= 1.0119% of principal + \$26.69 + \$6.74 for the first 10 contracts and \$4.49 thereafter
\$20,000 and above	= .6739% of principal + \$94.14 + \$6.74 for the first 10 contracts and \$4.49 thereafter

Plus Additional Amount

Principal	Commission
\$0 - \$4,999.99	= 10.60% + \$1.50 - \$3.50
\$5,000 and above	= 15.15% + \$1.50 - \$3.50

Minimum \$40.00  
Maximum \$83.20 per contract

## Debt Securities

For debt securities, including preferred securities and CDs, we may apply a charge (*i.e., markup*) of up to 3 % of the amount of your secondary market transaction. Additionally, we may incur gains (or losses) on positions we hold in inventory in response to market movements or other events that impact the value of the securities we own.

Commission

Quantity	Security Type
First 5 bonds	= \$10 per bond + 1% for Treasury or 4% other than Treasury x .5 if price is <\$50 or 1 if price is >=\$50
Next 6-10 bonds	= \$7.5 per bond + 1% for Treasury or 4% other than Treasury x .5 if price is <\$50 or 1 if price is >=\$50
Next 11 and over	= \$5 per bond + 1% for Treasury or 4% other than Treasury x .5 if price is <\$50 or 1 if price is >=\$50

Minimum \$40.00

## Mutual Funds

We currently offer thousands of mutual funds varying in share class structure and investment style. If you invest in mutual funds, we may receive direct and indirect compensation in connection with such mutual fund investments.

## 12b-1/Shareholder Service Fees

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are asset-based fees charged by the fund family. These fees range from 0.00% to 1.00%, but the majority of these fees are below 0.85%. These fees may be passed on to us and may in turn be passed on to your Financial advisor as a commission.

### Front-End Sales Charge Fees or Contingent Deferred Sales Charges (CDSC)

Front-End sales charge fees may be charged and paid to us, including your Financial advisor, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your Financial advisor if you believe you are eligible for sales charge waivers.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges range from 0.00% to 5.50%. CDSC periods can range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC is not passed on to your Financial advisor. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund. Please note that 12b-1s and similar fees or compensation received in connection with our affiliated funds are not received, or are rebated, on ERISA assets held in Advisory Program accounts.

### Annuities

Our annuities consist of fixed, index, and variable annuities. Under arrangements with insurance companies, we, including your Financial advisor, receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier. Commissions range for 3% to 9%. Trails on variable annuities range from, 0 to 100 basis points per year.

### Unit Investment Trusts (UITs)

Our UITs consist of Equity and Fixed-Income UITs. We, along with your financial advisors, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described below and are disclosed via the prospectus issued by the UIT provider. Your financial advisor can provide you a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus.

Transactional Sales Charges	15 Month Portfolios	2 Year Portfolios <sup>^</sup>	5 Year Portfolios <sup>^</sup>
Maximum Sales Charge	1.85%	2.75%	3.95%
Broker Concession	1.25%	2.00%	3.00%
Deferred <sup>**</sup>	1.35%	2.25%	3.45%
C&D Fee Cap <sup>***</sup>	0.50%	0.50%	0.50%

<sup>^</sup> Not available in Brokerage Retirement accounts.

<sup>\*\*</sup>The deferred sales charge is a fixed amount which will be deducted in 3 or 4 monthly installments (beginning after the trust goes secondary). For example, for a 15 month trust the deferred sales charge is \$.145 per unit deducted in 3 installments.

<sup>\*\*\*</sup>The creation and development (C&D) fee is a charge of \$.05 per unit collected at the end of the initial offering period.

### Fixed Income Pricing

Transactional Sales Charges	<5 Years Avg. Maturity	5-11.99 Years Avg Maturity	12+ Years Avg. Maturity
Maximum Sales Charge	1.95%	2.50%	3.50%
Broker Concession	1.10%	1.60%	2.60%

Cash Sweep Program/Bank Deposit Sweep/Other Float Compensation (WFCS) shares up to 3.5 basis points of bank sweep balances.

## Training and Education

We work closely with many product and service providers who provide training and education compensation to offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our financial advisors. These meetings or events are held to educate financial advisors on product characteristics, business building ideas, successful sales techniques, suitability as well as various other topics. In addition, certain vendors provide free or discounted research or other vendor products and services, which can assist our financial advisors with providing services to the plan.

Likewise, from time to time, product providers will reimburse us for expenses incurred by individual branch offices in connection with conducting training and educational meetings, conferences, or seminars for financial advisors and participants. Also, financial advisors may receive promotional items, meals or entertainment or other non-cash compensation from product providers. Financial advisors also receive promotional items, meals, entertainment, and other non-cash compensation from product providers up to \$100 per year for gifts per vendor and \$1,000 per year for meals per vendor.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with Financial advisors; these relationships could lead to sales of that particular company's products.

## Operational Fees (PSA)

We receive compensation for various operational services provided to you through a brokerage account. PSA's fee schedule for these services is as follows:

- Safekeeping of non-traded equities: \$200 per position
- Outgoing DWAC: \$150 per position
- Document retrieval \$25 per hour

## Operational Fees (WFCS)

- IRA annual fee \$50
- No-Load accommodation fee \$25
- Mutual fund liquidation fee \$10
- Account transfers outgoing \$75

## Trade Corrections

PSA attempts to correct all trade errors on the same day.

## Compensation for Termination of Services

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the firm would not receive any additional compensation in connection with the termination of its services. If you have questions or need additional copies, contact your financial advisor.

## Brokerage – Excluded Advisory Assets

As described above, our brokerage services differ from our advisory services. However, in some instances we may allow an advisory client to trade what are referred to as "excluded assets" within their advisory services account. Excluded assets are not subject to our advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

## Conflicts of Interest

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially adverse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our financial advisors, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, affiliated and non-affiliated product providers and money managers, and other third parties as described above. Securities rules allow for us, our financial advisors, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our financial advisors receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

## Compensation We Receive From Clients

### Transaction-Based Conflicts

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial advisor receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

### Markups and Markdowns for Principal Transactions

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

### Account Maintenance and Other Administrative Fees

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. The higher the fees we charge, the more we are compensated.

## Compensation We Receive from Third Parties

Third-Party payments we receive may be based on new sales of investment products, creating an incentive for us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive for us to recommend that you buy and hold investments (or continue to invest through a third-party manager or adviser).

The total amount of payments we receive varies from product to product, and varies with respect to the third-party investment management products we recommend. It also varies from the compensation we receive in connection with other products and services we may make available to you, including advisory services. We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors, even where it is not paid by the Product Sponsor and not directly from the investment product or other fees you pay. The types of third-party compensation we receive include:

- **Trail Compensation.** Ongoing compensation from Product Sponsors may be received by us and shared with our financial advisors. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

## Additional Compensation from Product Sponsors and Other Third Parties

We and our financial advisors, associates, employees, and agents receive additional compensation from Product Sponsors and other third parties including:

- Gifts and awards, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospective clients.
- Payment or reimbursement for the costs associated with education or training events that are attended by our employees, agents, and financial advisors, and for conferences and events that we sponsor.
- Reimbursement from Product Sponsors for research and technology-related costs, such as those to build systems, tools, and new features to aid in servicing clients. Additionally, we and our affiliates receive compensation from Product Sponsors to provide aggregate sales data.

**Note:** The amount of these payments is not dependent or related to the level of assets you or any other of our clients invest in or with the Product Sponsor.

### Product Share Classes

Some Product Sponsors offer multiple structures of the same product (*i.e.*, *mutual fund share classes*) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us.

### Payment for Order Flow

PSA does not participate.

### Compensation Related to Proprietary Products

PSA does not have any proprietary products.

### The Research We Provide

PSA uses research services provided by WFCS.

## Compensation Received by Financial Advisors

Financial advisors are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients and/or total assets under advisement, including brokerage account activity. This compensation may vary by the product or service associated with a brokerage recommendation. In addition to upfront-transaction based compensation, some products feature on-going residual or "trail" payments. Thus financial advisors are incentivized to recommend products that have higher fees as well as those with on-going payments.

Typically, a financial advisor's payout schedule (periodically adjusted by us at our discretion) increases with production and asset levels. The same payout schedule is reduced when financial advisors discount certain client fees and commissions, or client relationship asset levels are below minimums established by us from time to time. Financial advisors also may be eligible for annual or ongoing bonuses based upon a variety of factors that may include reaching certain production levels, tenure with the firm, client product mix, asset gathering, as well as compliance with our policies and procedures, and meeting best business practices.

As a result, financial advisors have an incentive to provide brokerage recommendations that result in selling more investment products and services, as well as investment products and services that carry higher fees. Financial advisors also have an incentive to provide brokerage recommendations to gather more assets under management and to increase brokerage trading activity, and to reduce the amount of discounts available to you.

Financial advisors have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. Financial advisors are incentivized to recommend you transition your brokerage services account to an advisory account to generate on-going revenue where your brokerage account has minimal activity. Further, financial advisors are incentivized to recommend you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk. Financial advisors also have an incentive to provide higher levels of service to those clients who generate the most fees.

Recruitment compensation may be provided to financial advisors who join our firm from another financial firm. This compensation, which may vary by financial advisor, often includes either an upfront or backend award based upon new client assets to the firm and/or revenue generated from such client assets. This creates an incentive for the financial advisor to recommend the transfer of assets to the firm, including brokerage assets, in order to earn this compensation.

Noncash compensation is provided to financial advisors in the form of credits toward business expense accounts and certain titles. Financial advisors are also compensated in the form of education meetings and recognition trips. Portions of these programs is subsidized by external vendors and affiliates, such as mutual fund companies, insurance carriers, or money managers. Consequently, product providers that sponsor and/or participate in education meetings and recognition trips gain opportunities to build relations with financial advisors, which could lead to sales of such product provider's products. Financial advisors also receive promotional items, meals, entertainment, and other noncash compensation from product providers up to \$100 per year for gifts per vendor and \$1,000 per year for meals per vendor.

### Pay Schedules

Payout schedules can be revised at any time.

### Agency Trades (Stocks, Bonds, Options):

- \$25.00 or less = 0%
- 25.01 to 45.00 = 25%
- 45.01 to 199.99 = 35%
- 200 and over = 40%

### Mutual Funds, Insurance, 12b-1 Trails, and Advisory Fees:

- 50% of net proceeds to the firm

Once annual production exceeds \$250,000 the broker's payout is a flat 50% on production above \$250,000. Agency trades of \$45.00 or less stay on the original schedule. Advisory fees are billed to the client at the beginning of each quarter. Since the client can terminate an advisory account at any time and be entitled to a refund of unused fees, payment to the broker is amortized over the three months of the quarter. Charged back fees for terminated accounts are charged back to the broker's gross commission.

### Other Financial Advisor Activities

Financial advisors may be motivated to place trades ahead of clients in order to receive more favorable prices than their clients.

Financial advisors who are transitioning through a succession plan may be incentivized to make brokerage recommendations designed to increase the value of their "book of business" through asset accumulation or brokerage trades that are not in your best interest. Financial advisors who receive clients from a retiring financial advisor are incentivized to meet growth goals and may make recommendations not in your best interest.

Internal campaigns and recognition efforts incentivize financial advisors to engage in activities to reach incentive goals.