Item 1 – Cover Page

ProEquities, Inc.

(doing business as Investment Advisors)
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Birmingham, Alabama 35223
800-288-3035
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Form ADV Part 2A Brochure

April 20, 2020

This Brochure provides clients with information about the qualifications and business practices of ProEquities, Inc. ("ProEquities"). If you have any questions about the contents of this Brochure, please contact us at 800-288-3035. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any governmental authority.

ProEquities, Inc. is a registered investment adviser. Registration as an Investment Adviser does not imply any level of skill or training.

Additional information about ProEquities also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Specific material changes were made to this Brochure, the last update to which was made on March 28, 2019. These changes are summarized below. It is important to note that the changes discussed directly below are only those material changes that occurred since the last annual update to this Brochure. The following material changes were made:

- As of April 15, 2020, Elizabeth Anderson has been named Interim President of ProEquities, Inc.

Item 4 – Advisory Business

- Added disclosure describing ProEquities Transition Assistance Program. This program provides various benefits and/or payments to Advisors that are newly associated with ProEquities to assist the Advisor with the costs of transitioning their business to ProEquities.

Item 15 – Custody

- Added disclosure for inadvertent custody due to some accounts having standing letter of authorization (SLOA) or similar arrangement established by a client with a qualified custodian authorizing the Advisor to transfer client assets to a third party.

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Item 4 – Advisory Business

Our Firm

ProEquities, Inc. (“ProEquities” or the “Firm”) is a registered broker-dealer and registered investment adviser. The Firm offers retail brokerage and investment advisory services. ProEquities serves as the sponsor of, and in some cases as a portfolio manager for, wrap fee investment programs. ProEquities is an independent investment advisory firm with representatives located geographically throughout the United States; and has been registered as an investment adviser with the SEC since 1998. ProEquities is a wholly-owned subsidiary of Protective Life Corporation. Protective Life Corporation was purchased by the Dai-ichi Life Insurance Company, Limited (“Dai-ichi”) in February, 2015; therefore Dai-ichi is an indirect owner of ProEquities. Throughout the remainder of this text, “we,” “us,” and “our” refers to ProEquities.

We provide investment advice through investment adviser representatives (“Advisors”) who are associated with us as independent contractors and business owners. Representatives of ProEquities’ investment advisory business are also registered as independent contractor representatives with ProEquities’ registered broker-dealer business (member FINRA/SIPC), which allows them to offer brokerage products and services to clients. Therefore, an Advisor is able to offer a client both investment advisory and brokerage services. Before engaging with an Advisor, clients should take time to consider the differences between an advisory relationship and a brokerage relationship to determine which type of service best serves the client’s investment needs and goals. Clients should speak to the Advisor to understand the different types of services available through ProEquities. ProEquities, through its Advisors, provides investment advice and management on assets in the client’s account. Each Advisor is responsible for maintaining their client relationships.

As of December 31, 2019, ProEquities had $3,993,790,112 in assets under management (“AUM”), of which $2,586,011,401was managed on a discretionary basis and $1,407,778,711 was managed on a nondiscretionary basis.

Our Advisory Services

ProEquities offers a variety of investment advisory services and programs to its Advisors for use with their clients, including wrap fee programs, advisory programs offered by third party investment adviser firms, financial planning services, and retirement plan consulting services. Our investment advisory services and programs are designed to accommodate a wide range of client investment philosophies, goals, needs, and investment objectives.

ProEquities offers advisory services on a discretionary and non-discretionary basis. If a client participates in our discretionary portfolio management services, we require the client to grant our firm discretionary authority to manage their account. Discretionary authorization will allow us to determine the specific securities and the amount of securities to be purchased or sold for an advisory account without the client’s preapproval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement the client signs with our firm, a power of attorney, or trading authorization form. A client may limit our discretionary authority (for example, limiting the types of securities that can be purchased for an advisory account) by providing ProEquities with a client’s restrictions and guidelines in writing.

A more detailed description of each service is provided under the corresponding headings below, as well as in Item 5: Fees and Compensation.

Investment Advisory Services

- ***Advisory Management Plus (AMP) Platform***

Advisors offer investment management services through the selection of a ProEquities-sponsored wrap fee program managed by the Advisor, ProEquities as the Portfolio Manager or with access to unaffiliated third party managers. These services include, but are not limited to, providing ongoing investment advice; implementation of a portfolio plan which may include trading and rebalancing of funds necessary to assist the client to meet his or her objectives and risk/return tolerance; as well as continual review of a client’s portfolio plan to ensure this plan remains consistent with the client’s financial and personal objectives and risk/return tolerance. The Advisor will review with each client their investment objectives and risk/return tolerance and may recommend investment in the appropriate ProEquities-sponsored wrap-fee program. Some Advisors manage each account to models they have created; others customize each account to each client. The advisory services offered are tailored to the individual needs of each client, taking into consideration the client's risk tolerance, investment objective, time horizon, and other factors. Clients may impose restrictions on investments in certain securities or types of securities; however, such restrictions may impact the performance of the account.

The AMP Platform is a ProEquities-Sponsored "Wrap" Fee Program which offers two broad categories of fee-based managed account programs – Advisor Managed and Third Party Managed accounts, as follows:

ADVISOR MANAGED ACCOUNT PROGRAMS

- Capital Asset Management ("CAM") Program (no new accounts)
- PreTrade Program
- PreTradePlus Program
- ProTrade Program
- ProTradePlus Program

THIRD PARTY MANAGED ACCOUNT PROGRAMS

- Advisor's Choice Separately Managed Account ("SMA") Program
- Advisor's Choice Strategist Program
- Unified Managed Account ("UMA") Program

In traditional management programs, advisory services are provided for a fee but custody, administrative and transaction services are billed separately. In wrap fee programs, advisory services, custody, transaction services and other services are provided for one fee. CAM, PreTrade, PreTradePlus, ProTrade, ProTradePlus, SMA, Strategist and UMA Programs, are considered "wrap fee" programs in which the client pays a specified fee for portfolio management services and trade execution. Wrap fee programs differ from other programs in that the asset management fee structure for wrap programs is intended to be largely all-inclusive, whereas non-wrap fee programs assess trade execution costs that are typically in addition to the asset management fee. Some wrap fee programs, such as CAM, PreTradePlus and ProTradePlus, charge a transaction fee in addition to the asset management fee.

The SMA, Strategist and UMA model portfolio wrap fee programs or model strategies available through ProEquities are managed by third party portfolio managers or are provided to ProEquities by third party investment advisers unaffiliated with ProEquities. For more information relating to ProEquities' wrap fee programs, please refer to Appendix 1 of this document, titled "The Wrap Fee Program Brochure."

- ***Third Party Manager Direct (TAMP) Platform***

ProEquities also offers our clients access to certain professional third party money managers (TAMPs) that are outside of the AMP Platform on a co-advisory or sub-advisory basis. TAMPs offer our clients access to a variety of portfolio managers that create and implement custom or model portfolios with varying levels of risk. TAMP accounts are either managed by one or more third party portfolio managers on a discretionary basis or by the Advisor or a combination of both. Depending on the program, the client's Advisor will either provide the portfolio management services or supervisory services with respect to the co-adviser or sub-adviser. This means the Advisor will monitor the TAMP program's performance, investment selection, and continued suitability for the client's portfolio and will advise the client accordingly. The Advisor will help determine the client's risk tolerance, investment goals, and other relevant guidelines in order to help the client choose a TAMP that appears to best satisfy the client's investment needs. Account minimums for TAMP accounts generally range between $0 and $1,000,000 and may consist of a variety of securities types, including stocks, bonds, ETFs, mutual funds, and derivatives.

Our Advisors may delegate investment advisory responsibilities or discretionary authority to a TAMP under co-adviser and sub-adviser relationships, which means we are jointly responsible for the management of the account. ProEquities has entered into agreements with various unaffiliated TAMPs to offer investment advisory, asset allocation and asset management services to our advisory clients. While each TAMP may have a different questionnaire or similar client profiling tool, the client's responses will assist their Advisor with an understanding of the client's investment objectives and goals, risk tolerance, time horizon and other pertinent information. Based on this information, the Advisor will assist and provide ongoing advice to clients in selecting or replacing the appropriate program, asset allocation strategy, model portfolio or other investment strategy based on the client's specific needs and goals; setting restrictions or limitations on the management of the account; and will review the account activity transacted by the TAMP in the client's account with the client on a regular basis. Any information collected through this process may be shared among ProEquities, the ProEquities Advisor, the TAMP selected, the custodian, and any other parties performing services relating to the client's account. ProEquities may add new managers or terminate agreements with money managers without prior notice.

There will be conflicts of interest that could affect the independent judgment of ProEquities and the client's Advisor when recommending one TAMP over another. ProEquities and the client's Advisor receive compensation when they refer a client to the

TAMP, which is usually a percentage of the advisory fee a client pays to the selected manager. The amount of compensation received by the firm and a client's Advisor from a particular TAMP could be higher than the compensation received from another TAMP. As a result, the Advisor has a financial incentive to recommend one TAMP over another. There may be other suitable TAMPs that may be more or less expensive. The agreement the client executes with the selected TAMP will typically authorize the TAMP to deduct fees from the advisory account to pay for expenses and services provided.

In certain instances, clients will have lower advisory fees for TAMP accounts than our AMP Platform; however, in addition to an asset-based advisory fee, a client can incur brokerage commissions, mark-ups and mark-downs, transaction charges and other fees, including "ticket charges," related to the purchase and sale of stocks, bonds and other securities in TAMP accounts. Neither ProEquities nor its Advisors receive any of these fees. In other instances, the advisory fees for TAMPs on the AMP Platform may be lower than the TAMP Platform. The maximum Advisor fee for TAMP accounts is 1.50%, which is in addition to the platform and/or manager fees associated with the programs.

The client will typically enter into an agreement directly with that TAMP, which will outline, among other things, fees and the trading of the client's account. Generally, the TAMP will remit a portion of the fees to us. As part of establishing a new account, a client will receive both our disclosure brochure as well as the TAMP's disclosure brochure. Please refer to the relevant Form ADV, Part 2A of each TAMP for a more detailed explanation of each of the different investment advisory programs offered through ProEquities.

ProEquities periodically researches, selects and reviews the TAMPs that are offered through ProEquities. We may use information provided by the TAMP sponsor and may also use independent, third party data sources when evaluating a TAMP program. As with any investment strategy, asset allocation, model or investment portfolio, past performance is no guarantee of future performance. In addition, forecasts of future performance of financial markets may prove to be incorrect. Diversification is intended to reduce risk in an investment portfolio through asset allocation. Different asset classes have different risk and potential return profiles and they perform differently in different market conditions. Diversification cannot guarantee a profit or protect against a loss.

The TAMP selected and/or its affiliates and service providers are generally responsible for creating and sending reports to clients, including transaction reporting, performance reporting and tax reporting. ProEquities and the ProEquities Advisor will not independently test TAMP performance information to determine or verify its accuracy and does not calculate or audit the performance reports that the third party investment advisory programs send to clients. Clients are strongly encouraged to carefully review the TAMP's disclosures regarding prior performance to determine the relevance of the prior performance to the client's account, and whether the prior performance includes any hypothetical or back-tested performance information. ProEquities also strongly encourages clients to review the account statements provided by the custodian of the client account and compare those statements to any report or statement provided by the TAMP.

ProEquities currently has co-advisory or sub-advisory agreements to offer the services of the following TAMPs:

- Asset Mark
- First Mercantile
- Orion Portfolio Solutions
- Manning & Napier
- Morningstar
- SEI
- Buckingham Strategic Partners

In few select instances, certain Advisors may qualify for TAMP programs where the Advisor is either the sole portfolio manager or where the Advisor manages a sleeve of the portfolio in addition to the TAMP. These programs include:

- SEI Enhanced Advisory Services (EAS) Program
- SEI Custom Rebalancing Model
- FTJ Advisory Direct at Orion Portfolio Solutions (closed to new accounts)

- ***Solicitor Program***

ProEquities may act in a "solicitor" capacity for TAMP programs available to our clients. When acting as a solicitor for the TAMP Program neither ProEquities nor the Advisor provides investment advisory services in relation to the TAMP program. Instead, the Advisor will assist the client in selecting one or more TAMP programs believed to be suitable based on the client's stated financial situation, investment objectives, and financial goals. In the solicitor program ProEquities maintains an agreement with the TAMP for providing client referrals. In these cases, ProEquities and its Advisors receive referral fees for making the referral, which are generally referred to as "Solicitor Fees". In most cases the Solicitor Fees are calculated as a percentage of the client assets that the TAMP manages; however, there may be instances where the Solicitor Fees are determined in some other fashion. The Solicitor Fees are disclosed to clients and prospective clients in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), which governs the payment of fees for client referrals.

When we act as a solicitor for a TAMP program, the client will receive a written solicitor disclosure statement describing the nature of our relationship with the TAMP program, if any; the terms of our compensation arrangement with the TAMP program, including a description of the compensation we will receive for referring a client to the TAMP program; and the amount, if any, the client will be charged, in addition to the advisory fee the client pays to the TAMP as a result of our referral to the TAMP program, if applicable.

As of the date of this Brochure, our current solicitor arrangements are the following:

- Brinker Capital Inc.
- Camelot
- City National Rochdale
- CLS Investments
- Flexible Plan

For more information on these programs, please refer to the Form ADV, Part 2A and related disclosure documents for the investment adviser and program in question. These documents can be found on the SEC's website at www.adviserinfo.sec.gov and on the applicable program sponsor's website. ProEquities may update solicitor arrangements without notice. For a complete list of solicitors please contact ProEquities at 800-288-3035.

- ***Retirement Services***

Our Advisors also provide services to clients' retirement accounts, such as individual retirement accounts (IRAs) and retirement plans. Our services to IRA clients include those described above. Please note: a client leaving an employer typically has four options (and may engage in a combination of these options): (i) Leave the money in the former employer's plan, if permitted (ii) Rollover the assets to their new employer's plan, if available and permitted (iii) Rollover to an IRA, or (iv) Cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Clients should consult with their accountant and/or tax advisor regarding potential tax consequences of these options, or combination thereof, as early distributions from a qualified retirement plan after separating from service may be treated differently than early distributions from an IRA, depending on specific factors.

Our Advisor may recommend an investor rollover plan assets to an IRA which our Advisor would manage. As a result, we may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer, or roll the assets to a plan sponsored by a new employer, will generally result in no compensation to us (unless we are engaged to monitor and/or consult on the account while maintained at the existing plan). Therefore, our Advisors may have an economic incentive to recommend an investor to rollover plan assets into an IRA that we will manage or to engage us to monitor and/or consult on the account maintained at the existing plan.

There are various factors that should be considered before considering a rollover, including but not limited to: (i) the investment options available, (ii) fees and expenses, (iii) the services and responsiveness available, (iv) strategies for the protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any.

No client is under any obligation to rollover plan assets to an IRA managed by us or to engage our Advisor to monitor and/or consult on an account maintained at an existing plan. Please note that a recommendation to rollover assets out of an employer-sponsored plan into an IRA will most likely result in higher expenses and charges than if the assets were to remain in the plan. A ProEquities Advisor can address questions regarding a prospective engagement and the corresponding conflict of interest presented by such engagement.

- ***Financial Planning and Financial Advice Services***

For clients seeking financial advice involving analysis of a particular investment, investment portfolio, or overall financial situation, ProEquities, through its financial advisors, provides financial planning and investment consulting services designed to meet the client's financial goals, needs and objectives. The investment consulting services provided to individuals typically take the form of a financial plan. These consulting services may include, but are not necessarily limited to, a review of an individual's current financial situation, with an emphasis on portfolio analysis, estate planning, insurance planning, education planning, retirement planning and/or capital needs planning. To the extent other services are needed, the financial advisor will assist the individual client in obtaining and utilizing those services. Financial advisors may also assist the client in coordinating the implementation of any recommendations made, including referral to other practicing professionals whose services may be necessary such as an attorney, accountant or insurance agent. In preparing a financial plan for a client, the financial advisor gathers information deemed relevant to the particular advisory service being provided through fact-finding interviews with the client and through documents and/or the client's profile questionnaire (as completed by the client). Based on the client's selection, the service may include an analysis of the client's financial information, which may include items such as the client's current assets, income, investments, liabilities, short and long-term capital and liquidity needs, risk tolerance and short and long-term financial goals and objectives.

Should a client choose to implement the recommendations contained in the financial plan, the financial advisor will generally make recommendations with respect to products and services offered through ProEquities. ProEquities provides assistance to its financial advisors with identifying potential investments and/or investment strategies. Financial advisors may utilize these and other services when assisting clients with the recommendation and implementation of a financial plan. However, the decision to implement any recommendation rests exclusively with the client, and the client has no obligation to implement any such recommendations through ProEquities.

- ***Retirement Plan Services***

ProEquities, through its Advisors, offers advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Sponsor(s)"). ProEquities, through its Advisors, may also assist with enrollment and investment education to plan participants and beneficiaries. ProEquities charges a fee for the Retirement Plan Services, as described in this brochure and the ERISA Master Account Application ("Application").

Retirement Plan Services include services that would be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or comparable state laws, rules and regulations.

When delivering ERISA fiduciary services, ProEquities, through its Advisors, will perform those services to the plan as a fiduciary under ERISA Section 3(21)(A)(ii) and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. When providing any ERISA fiduciary Services, ProEquities, through its Advisors, will make recommendations to the Sponsor and the Sponsor retains full discretionary authority or control over assets available in the plan. ERISA fiduciary services can be provided to plan participants; the plan participants maintain full discretionary authority and control over their personal retirement accounts.

Sponsors may engage ProEquities, through its Advisors, to perform the Retirement Plan Services by completing an ERISA Master Account Application which provides a ProEquities agreement section. ProEquities, through its Advisors, will provide a Sponsor a signed copy of the Application and a copy of this brochure for review. The Application describes how the advisor will serve the plan and the fees to be charged for those services. The agreement section describes additional terms of the arrangement between ProEquities and the Sponsor, including services in addition to the retirement plan. By signing the Application, the Sponsor represents they have received sufficient information and determined that the Retirement Plan Services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. The Plan Sponsor must sign the Application and initial the agreement section before ProEquities and/or its Advisors performs any Retirement Plan Services.

A. Description of the Retirement Plan Services

The services to be provided are more fully described in the ERISA Master Account Application ("Application") which can be provided by the ProEquities Advisor.

B. Potential Additional Retirement Services Provided Outside of the Agreement:

In providing Retirement Plan Services, ProEquities, through its Advisors, may establish a client relationship with one or more plan participants, beneficiaries, or Sponsors. Such client relationships develop in various ways, including, without limitation: (i) as a result of a decision by the participant or beneficiary to purchase services from ProEquities not involving the use of plan assets; (ii) as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the plan; or (iii) through an individual retirement account rollover ("IRA Rollover").

Advisors will not, however, solicit services from plan participants or beneficiaries when providing Retirement Plan Services to the plan. If ProEquities is providing Retirement Plan Services to a plan, Advisors may, when requested by a plan participant, beneficiary, or Sponsor, arrange to provide services or Sponsor through a separate Application that excludes any investment advice on plan assets. If a plan participant or beneficiary desires to affect an IRA Rollover, Advisor will obtain a signed disclosure from the plan participant. Any decision to affect the rollover or what to do with the rollover assets is retained by the participant or beneficiary.

ProEquities, its employees, and its Advisors benefit from the compensation paid to ProEquities and will directly or indirectly receive a portion of the fees and other compensation paid by Retirement Plan Services clients. Those clients may also use other products or services available from or through ProEquities and in such case pay additional compensation. This practice creates a conflict of interest that gives ProEquities and its Advisors an incentive to recommend Retirement Plan Services based on the compensation received. ProEquities addresses these conflicts through disclosure(s) in this Brochure and additional disclosures concerning compensation we receive, directly or indirectly. ProEquities will also offset or refund additional compensation when required by law.

- ***Program Choice Conflicts of Interest***

Clients should be aware that the compensation to ProEquities and their Advisor will differ according to the specific advisory program chosen. This compensation to ProEquities and their Advisor may be more than the amounts we would otherwise receive if the client participated in another program or paid for investment advice, brokerage, and/or other relevant services separately. As a result of the differences in fee schedules and other sources of compensation that exist among the various advisory programs and services offered by ProEquities and its Advisors, ProEquities has a financial incentive to recommend a particular program or service over other programs or services available through ProEquities.

- ***Transition Assistance Program***

In addition to compensation, ProEquities provides financial advisors with access to financial incentives for affiliating with our firm. These arrangements include, but are not limited to transition assistance, bonuses, deferred compensation arrangements, enhanced pay-outs, repayable business transition or working capital loans, administrative fee reimbursements, attendance at conferences and events, marketing services and materials, and other valuable financial incentives. Based on these arrangements, your financial advisor is incentivized to recommend that clients open and maintain accounts for advisory and/or brokerage services. These incentives may influence your financial advisor's recommendation that you transition your account(s) to the firm. ProEquities mitigates these conflicts of interest by monitoring to ensure that financial advisors are making investment decisions that are consistent with the client's stated objectives and strategies. ProEquities also maintains policies to ensure the account is appropriate for the applicable advisory program or service and consistent with our fiduciary duty to the client.

Item 5 – Fees and Compensation

Compensation related to Investment Management Services

ProEquities is compensated for the advisory services described in this brochure. Fee schedules for the various strategies the firm manages, and account minimums can be found in this section. We may base our fees on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees) or commissions. You may negotiate asset-based fee and/or commission rates with us, and the decision to accept a negotiated fee is at the discretion of your IAR. Factors involved in this negotiation may include the nature and size of the overall relationship with your IAR, the level and type of advisory or other financial services being or expected to be provided, and ProEquities' policy with respect to discounts. You should understand that unless a lower rate has been negotiated, we charge fees based upon the applicable standard fee schedule detailed below for each advisory account program. While the asset-based fees are negotiable, the standard fee schedule's asset-level breakpoints and each applicable fee rate may not be modified in any way. An inherent conflict exists in how ProEquities handles billing variations from the applicable fee schedule as compensation adjustments can result in higher compensation to the financial advisor from one advisory program to another. Additionally, certain programs allow the financial advisor to receive compensation on a more frequent, monthly basis as opposed to quarterly. You may pay us more or less than you might otherwise pay if the same services were purchased through another service provider. You may negotiate fees with different breakpoints and as a result, may pay a higher fee than as listed in the standard fee schedule detailed below (but not more than the program's maximum fee) as a result of fluctuations in your assets under management and/or account performance.

Advisors using any of the previously mentioned programs offered by ProEquities generally receive compensation as a percentage of the asset-based fee charged to the client's account. As such, ProEquities Advisors will earn more compensation as the amount of assets managed increases. This creates a conflict to recommend investment advisory accounts. ProEquities mitigates this conflict by monitoring to ensure that financial advisors are making investment decisions that are consistent with the client's stated objectives and strategies. ProEquities also maintains policies to ensure the account is appropriate for the applicable advisory program or service and consistent with our fiduciary duty to the client.

- ***ProEquities-sponsored AMP Platform***

For additional information, consult ProEquities' wrap-fee program brochures at the end of this document for details on ProEquities' compensation in the Firm's sponsored wrap fee programs.

- ***Third Party Manager Direct (TAMP) Platform***

By agreement, the total fee charged to each client by the TAMP will not normally exceed 3.00% of assets under management. ProEquities' Advisors will receive a portion of this investment advisory fee for the advisory services they render to the client. The investment advisory fee varies by each third party money manager. The Advisor fee will not normally exceed 1.5% of assets under management. Both fees may be negotiable and vary with a variety of factors, such as account size, if multiple accounts are aggregated (household) and types of investments within the client's account(s). In addition, the client should be aware that TAMP relationships may include transaction fees and/or may be included within a Wrap fee. Please refer to the TAMPs ADV part 2 or brochure for information regarding program fees. The client will receive a statement at least quarterly, showing all assets and activity in their account. These statements include any transactions and fees charged during the quarter. TAMPs utilize a number of custodians; for more information about the custodial practices of the specific platform, please review the respective TAMP's ADV part 2 or brochure supplement.

These third party management fees are deducted from the client's account held with the third party manager. Most fees are billed in advance; however, some programs charge fees in arrears. Fees paid in advance are prorated to the number of days during the quarter in which the client received the services; however, billing frequency and refund policies will vary by third party manager and are not controlled by ProEquities or our Advisors. At certain times a client may request that certain assets be held indefinitely inside a discretionary investment advisory account. These assets are typically low cost basis stocks or alternative investments for which a commission may have been previously charged. As an accommodation to clients, TAMPs may approve such assets to be transferred in from another custodian to be held on an unsupervised basis, which means we do not assume fiduciary or investment advisory responsibilities for these assets. Some third party managers may include unsupervised assets in billing fees. The client should consult the third party manager's disclosure document and/or client agreement for details specific to their account with the third party manager. In addition to an asset-based advisory fee, a client can incur brokerage commissions, transaction charges and other fees, including "ticket charges," related to the purchase and sale of stocks, bonds and other securities. More specifically, stocks, bonds and other securities traded in advisory accounts can be subject to commissions, mark-ups and mark-downs. With respect to mark-ups and mark-downs, they are paid to market makers and neither ProEquities nor its Advisors receive any portion of the mark-ups or mark-downs.

For the investment management services that ProEquities provides, we receive compensation and other payments in the form of:

- *advisory fees* from our clients based on the amount of assets under management by our Firm or upon the financial planning and/or advice services provided by our Advisor.
- *cash payments* from product sponsors as reimbursement *for training and educational expenses* incurred by our Advisor when attending educational meetings or conferences that are held by ProEquities or by the product sponsor.
- *cash payments* from product sponsors through the Firm to its registered representatives as *reimbursement for product marketing efforts or attendance at due diligence meetings* (in accordance with FINRA rules).

If a client enters into an advisory agreement with a third party money manager, ProEquities receives payments from such third party money manager for the advisory services ProEquities performs under its investment advisory services agreement with the client based upon the amount of Assets under Management (AUM) that is held with a particular manager. Management fees charged in our programs are separate and distinct from fees and expenses charged by mutual funds, exchange-traded funds, variable annuities or any other investment that can be recommended. A description of these fees and expenses are available in each investment's prospectus.

The ongoing management fee for investment management services can cost a client more than if the assets were held in a traditional brokerage account. In a brokerage account, a commission is charged for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If a client plans to follow a buy and hold strategy or does not wish to receive ongoing investment advice or management services, the client should consider opening a brokerage account rather than an advisory account. Fees charged in our programs can be more than the cost of purchasing the same services separately. A client may be able to obtain similar services for a lower fee from other advisors. Our firm can also invest a portion of the client's assets in mutual funds, exchange traded funds, or other investments and charge a management fee on the client's assets invested in these securities. Therefore, a client will pay two levels of fees for management of assets; one directly to our firm and one indirectly to the managers of the mutual funds, exchange traded funds, or other investments held in advisory portfolios. The underlying assets may be bought directly through the mutual fund company. Therefore, a client could generally avoid the second layer of fees by making independent decisions regarding the mutual fund or exchange traded fund. However, in that case, investment management services would not be provided by the Advisor.

In the Advisor managed TAMP programs; TAMPs select the brokerage and custody relationships in their respective programs. In addition to the program fees, based upon the investments selected, clients may incur certain charges imposed by third parties in connection with the investments made through TAMP accounts. These include, but are not limited to, the following: mutual fund or money market 12b-1 and sub-transfer agency fees, mutual fund networking fees, mutual fund or money market management fees and administrative expenses, certain deferred sales charges on previously purchased mutual fund shares transferred into a TAMP account, other transaction charges and service fees, and other charges permitted or required by law. ProEquities does not receive a portion of these fees.

Mutual funds generally offer multiple share classes, some of which do not result in 12b-1 fees. In other instances, a mutual fund may offer only classes that pay 12b-1 fees, but another similar mutual fund may be available that offers share classes that do not pay 12b-1 fees. Fees are paid out of fund assets, and thus they increase the expenses a client pays as a fund shareholder. Clients do not pay these fees directly; they are deducted from total assets in the fund and reduce a client's investment returns. Some non-transaction share classes charge a 12b-1 fee to shareholders; however, a portion of that fee is paid to the fund's distributor or custodian. The TAMPs may receive a portion or all 12b-1 fees from the clearing and custodian firms for certain mutual fund share classes that a client owns through their investment advisory account. In Advisor managed TAMP accounts, ProEquities will, as permitted by the fund company and without client consent, convert existing mutual fund share classes to the lower eligible mutual fund share class for that fund available in the TAMP Program. ProEquities and its Advisors may recommend or select share classes that have higher expense ratios than institutional or advisory shares which generally result in higher compensation to the TAMPs and costs to the client. However, neither ProEquities nor its Advisors receive any revenue from such share classes. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

Advisors may recommend products on which they previously received a commission to be converted to a fee-based advisory account. This recommendation can be deemed to be a conflict of interest, and we manage the conflict through written disclosure to the client and by imposing reasonable controls designed to monitor for this activity. On June 5, 2018, ProEquities instituted a new policy on transferring commissionable products to advisory accounts. ProEquities Advisors are generally restricted from transitioning client assets held within a brokerage account to a fee based account if the Advisor has earned a commission (including sales charge, transaction fee, markup, markdown, concession, etc.) on any of the underlying positions within a specified period.

A client may want to consider the following factors when determining the reasonableness of the fees charged, including the following:

- The cost of developing investment strategies and managing the assets.
- The cost of producing performance reports covering the managed assets.
- The cost of administrative, marketing and website services.
- Transaction and custody costs or other miscellaneous fees, taxes or charges, as well as commissions or mark-ups and mark-downs on the purchase and redemption of securities.
- The value of the services provided in designing, establishing and monitoring the managed assets.
- The cost of the additional administrative, marketing, asset management and other support services that may be provided in the management of a program account.

- ***Fees from Retirement Plan Services***

Sponsors receiving Retirement Plan Services may pay more or less than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the plan, the specific investments made by the plan, the number of participants and the Retirement Plan Services offered. In light of the specific Retirement Plan Services offered by ProEquities and its Advisors, the Fees charged may be more or less than those of other similar service providers. Plan representatives that provide fiduciary services are paid a fee for those services. As of February 15, 2019, 12b-1 fees that are sent to the record keeper or ProEquities, for the benefit of the Advisor, will be rebated to the plan or the plan participant as appropriate where a plan asset advisory fee is charged by Advisor. ProEquities will not rebate 12b-1 fees as received on commission basis in lieu of an advisory fee.

All fees paid to ProEquities for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client will pay an initial or deferred sales charge. The Retirement Plan Services provided by ProEquities and its Advisors may, among other things, assist the client in determining which investments are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the fund manager, the plan's other service providers and the fees charged by ProEquities to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

No increase in Advisor fees will be effective without prior written notice. While not necessarily related to the Services, various vendors, product providers, distributors and others may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. ProEquities receives payments to subsidize its own training programs. Certain vendors invite ProEquities' Advisors and registered representatives to participate in conferences, on-line training or provide it publications that may further its Advisors and employees' skills and knowledge. Also, vendors occasionally provide ProEquities' registered representatives and/or Advisors gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

- ***Financial Planning Services***

Financial planning and investment consulting fees are negotiable between the client and ProEquities Advisors. Fees charged for these services may depend upon the anticipated time allocated to provide the services requested, the complexity of the plan or the individual client's financial situation. The fees are determined in advance and mutually agreed upon between the client and their Advisor. The fees for financial planning and consulting services can be structured as an hourly rate, fixed dollar fee, or as a percentage of assets being advised upon. Services rendered and the fees charged are disclosed in the appropriate agreement. Advisory fees or commissions generated in the implementation of a plan through ProEquities or its affiliates may be used to offset financial planning and/or investment consulting fees. It is possible that a client of ProEquities may pay more or less for similar services than may be available through another firm.

ProEquities or the client may terminate the investment consulting agreement by providing notice of such election to the other party. Investment programs involve risk and there is no guarantee that utilizing the financial planning and/or investment consulting services of ProEquities will produce favorable result.

- ***Strategic Partners***

ProEquities has agreements with certain mutual fund companies, broker-dealers, insurance companies, investment advisers, technology vendors and product sponsors and custodians of advisory programs in which they provide compensation and expense reimbursements to ProEquities in support of the training, education and marketing support required of these products. Receiving compensation from a variety of sources can be considered a conflict of interest based on the amount of compensation ProEquities receives when recommending one investment product over another. In addition to the fees disclosed in the advisory agreement or commissions paid for the purchase of securities and insurance products, an Advisor can receive additional compensation for selling certain securities or other investment products. Examples of non-cash compensation may include receiving due diligence and/or marketing allowance payments from certain sponsors. In addition, ProEquities may impose certain administrative costs in connection with these programs. The method, timing, and amount of payments vary by program and sponsor, and will typically be paid using one or more methodologies such as: direct reimbursement of certain expenses; payment of a specific dollar amount to participate in certain conferences; payment of fees or service charge for transactions, payment of fees based on sales volume; or payment of fees or assets under management. Depending on the methodology, these payments may include fees in connection with securities transactions, transactions or service charges, and may include payments of 12b-1 fees or other asset-based fees from money market funds or other mutual funds. Payments are calculated as a percentage of sales, from 0% to 1%. The services provided to companies participating in these arrangements include, but are not limited to: opportunities to provide training and education regarding their funds, advisors and other firm personnel through office visits, educational events or conferences: review, approval and distribution of mutual fund marketing materials to advisors and existing and prospective ProEquities clients; business planning and other communication and support from the home office, field sales, and specialist personnel: opportunities to provide content for internal communications, and sales related reports and other information and participation in sales campaigns. While these arrangements with each partner may vary, they may pay up to 0.75% annually of the assets held by ProEquities' clients in order to support and share in the distribution and marketing costs incurred by ProEquities. Certain participating fund families also make additional payments to ProEquities for attendance at various educational meetings hosted by ProEquities throughout the year.

The product sponsor generally funds all or some portion of the commissions and distribution fees for the investment through fees and expense charges associated with that investment. These fees and expense charges are described in the prospectus, private placement memorandum, or other disclosure documents for that investment. Fees based on assets under management and financial planning services are disclosed in the client's investment advisory and financial planning agreements with ProEquities.

Certain sponsors of these programs may also directly pay for certain educational and training costs of the ProEquities representatives and send their employees to meetings to provide education and training on these programs. ProEquities has a conflict of interest to recommend products, services, and strategies on which it receives higher compensation. We mitigate this conflict by disclosing it, not sharing these revenues with our Advisors who recommend transactions or strategies, and by requiring there be a review of accounts at account opening and periodically to ensure it is suitable in light of matters such as investment objectives and financial circumstances. The advisory services sponsors and other companies that provide payments to ProEquities above are listed below.

ProEquities, our Advisors, and clients also receive a benefit of certain services provided by product program sponsors and custodians. These services may include performance reporting, statement creation and delivery, technology systems including online access to account information, notification and payment services, marketing material and other services related to the management of investment advisory accounts. Some of these services may involve additional charges to ProEquities, our Advisor, or to clients, while others are packages and available as part of an investment advisory program without itemization of the cost of each product or service. ProEquities receives compensation from custodians including payments based on assets held in custodian's no transaction fee (NTF) mutual fund programs. Further discussion regarding the NTF mutual fund program included in ADV Wrap Brochure *Item 4-Services, Fees and Compensation-Other Costs-Client Fees and Expenses.*

Further, ProEquities has relationships with both affiliated and unaffiliated companies that may provide additional revenue and marketing support to ProEquities as well as education and training to our Advisors for the sale of mutual fund, annuity, life insurance and alternative investment products. This revenue and marketing support received by ProEquities is not paid to or shared with any ProEquities Advisor.

ProEquities has also entered into marketing arrangements with a number of mutual funds, variable contract and alternative investment product sponsors and TAMPs. These "strategic partners" are sometimes invited to attend or participate in educational meetings and conferences for ProEquities registered representatives and Advisors and may be featured more prominently on the ProEquities website or other communications than other product sponsors. As a result, these strategic partners have greater access to our registered representatives and Advisors than other product sponsors.

As of the date of this brochure, the Firm's strategic partners include:

Athene	Owl Rock
AXIO	Pacific Life
BlackRock	Protective
Brighthouse (MetLife)	Prudential
Brinker	Sammons
City National Rochdale	Buckingham Strategic Partners
Envestnet	SmartStop
FS Investments	VOYA
Hines	WE Donoghue
Jackson	Thrivent
Lincoln	Vanguard
Martin	

ProEquities may add or eliminate strategic partners from time to time without prior notice.

We receive both financial and non-financial support from certain mutual fund, insurance and other companies or their affiliates based upon the sale of such companies' products by us. We receive more compensation from strategic partners than from other product providers. Not all compensation is tied to the sale of products. The amounts and forms of compensation we receive from strategic partners vary based on a number of factors including level of past sales, prospective future sales and the types of service and access to distribution we provide. ProEquities receives one or more of the forms of compensation described above in connection with our arrangements with each strategic partner. These payments are made from the resources of the investment adviser or distributor (or one of their affiliates) in the case of mutual fund strategic partners and from the resources of the insurance company (or its affiliate) in the case of variable annuities, group annuities, and variable life products. These payments are in addition to the sales charges, service fees, redemption fees, deferred sales charges and other fees and charges described in the prospectus fee tables or offering documents of the various products.

ProEquities' registered representatives and Advisors do not receive additional compensation from ProEquities for selling securities offered by a particular product sponsor, whether or not it is a strategic partner. Furthermore, they are not required to achieve a sales quota established by ProEquities with respect to investments or services offered by any product sponsor. ProEquities also has a policy against accepting reimbursement through brokerage transactions directed to the Firm by product sponsors. However, registered representatives and Advisors receive additional non-cash compensation from certain product providers. This presents a conflict of interest, giving the registered representative or Advisor an incentive to recommend investment products based on compensation received, rather than on a client's needs. ProEquities' principals review all securities transactions effected by our representatives and Advisors to ensure the securities product is suitable for the client's needs, including but not limited to, risk tolerance, investment objectives and time horizon. To further mitigate this conflict of interest, we require our registered representatives and Advisors to disclose such compensation to us; this compensation is reviewed by a ProEquities principal for conflicts of interest, as well as appropriateness of amount, timing, method, frequency, and other factors.

ProEquities and its registered representatives sell a variety of securities, including, but not limited to funds, options, money market instruments, variable products (variable annuities and variable life insurance), stocks, bonds, structured products, UITs, Section 529 college savings plans, and alternative investments (such as real estate investment trusts, oil and gas partnerships, Section 1031 exchange programs and similar programs). In the normal course of providing financial planning and asset management services to customers, ProEquities and its investment advisory representatives may recommend the purchase or sale of securities. ProEquities may execute transactions in these securities and receive compensation and other payments in the form of:

i. *commissions* from product sponsors based on transactions effected
ii. *recurring distribution fees* from product sponsors based on assets held in an investment, commonly referred to as trail commissions or 12b-1 fees
iii. *cash payments* from product sponsors to ProEquities *for research and due diligence* associated with securities offered for sale by the firm
iv. *other cash payments from our "strategic partners" to ProEquities, as discussed in more detail above.*

The Firm believes, in general, the strategic partners offer investment and advisory products and services of a high quality. However, ProEquities does not guarantee that these products and services will perform better than others that may be available, and encourages its registered representatives, Advisors and clients to consider any product sponsor or TAMP whose products and services might be suitable for the client.

- ***Compensation related to the sale of securities and/or other investment products***

ProEquities is dually registered as a broker-dealer (member FINRA and SIPC) and a registered investment adviser. Through its business as a broker-dealer, ProEquities receives compensation for the sale of securities, including but not limited to, stocks, bonds, options, mutual funds, exchange traded funds, limited partnerships, variable annuities, alternatives and derivatives. This inherently presents a conflict of interest, giving the client's Advisor an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Furthermore, the client's Advisor, acting in a brokerage capacity, will receive compensation related to the sale of products of which an affiliate of ProEquities is a sponsor. ProEquities' principals review all securities transactions effected by our representatives and Advisors to ensure the securities product is suitable for the client's needs, including but not limited to, risk tolerance, investment objectives and time horizon. Clients have the option to purchase investment products recommended by ProEquities and its Advisors through other brokers or agents that are not affiliated or associated with ProEquities. Although the firm's investment advisory business is a significant part of the firm's total business, the majority of the firm's total revenues, including commissions, asset-based fees from the sale of mutual funds, investment advisory fees, and other revenues, are derived from commissions related to the sale of securities.

In the firm's wrap fee programs, certain assets placed for management in those accounts may have been sold by the client's Advisor outside of the wrap fee account, where the representative earned a commission for the sale. In certain circumstances, ProEquities may allow those assets to be transferred into the wrap fee advisory account depending on the time frame the assets resided in the brokerage account.

If any of the ProEquities' affiliates or an unaffiliated company acts as an issuer, underwriter, distributor, or advisor with respect to a product or program sold to clients, ProEquities earns compensation from such sale. In addition, these products and programs contain charges and commissions payable to the Advisors involved. ProEquities and its Advisors receive 12b-1 distribution fees from investment companies in connection with the investment of client assets for brokerage accounts.

Registered representatives and Advisors of the Firm who are associated with Everence may be eligible for incentives provided through Everence (such as eligibility for deferred compensation, health benefit programs and matching certain charitable contributions made by the representative) based on their sales of Praxis mutual funds and other products (such as insurance) that are offered by Everence or its affiliates.

- ***Other General Costs That May Apply to All Programs Described in This Brochure***

The program fees described above do not cover certain charges associated with securities transactions in clients' accounts, including (i) dealer mark-ups, mark-downs, or spreads charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees assessed on collective investment vehicles, such as mutual funds and closed-end funds, UITs, ETFs, or real estate investment trusts ("REITs") (such as fund operating expenses, management fees, redemption fees, 12b-1 fees, distributor fees, and other fees and expenses; further information regarding charges and fees assessed on collective investment vehicles may be found in the appropriate prospectus or offering document), or other regulatory fees; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer; (v) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes, stock exchange fees, or other fees mandated by law; and (vi) any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC"), imposed upon the liquidation of "in-kind assets" that are transferred into a program account.

ProEquities may liquidate assets transferred into a program account in their sole discretion. Clients should be aware if they transfer in-kind assets into a program account, such assets may be liquidated immediately or at a future point in time, and clients may incur a brokerage commission or other charge, including a CDSC. Clients also may be subject to taxes when such liquidations of assets take place. Accordingly, clients should consult with their Advisor and tax consultant before transferring in-kind assets into a program. The broker-dealer or custodian may charge the client certain additional and/or minimum fees.

A client may also incur redemption fees when the TAMP determines it is in the client's overall interest, in conjunction with the stated goals of the investment strategy, to divest from certain collective investment vehicles prior to the expiration of the collective investment vehicle's minimum holding period. Depending on the length of the redemption period, the particular investment strategy, and/or market circumstances, a TAMP may be able to minimize any redemption fees when, in their discretion, it is reasonable to allow a client to remain invested in a collective investment vehicle until expiration of the minimum holding period.

In certain programs, the total annual account fee does not cover certain custodial fees that may be charged to clients by the custodian. Clients also may be charged for specific account services, such as ACAT transfers, electronic fund and wire transfers, and for other optional services elected by clients. Accounts may be subject to transaction-based ticket charges assessed by the custodian for the purchase of certain mutual funds. Similarly, the total annual account fee does not cover certain non-brokerage-related fees, such as IRA trustee or custodian fees, tax-qualified retirement plan account fees and annual and termination fees for retirement accounts, such as IRAs.

Item 6 – Performance-Based Fees and Side-By-Side Management

ProEquities does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

ProEquities, through its Advisors, provides investment advisory services to individuals, high-net-worth individuals, corporate pension and profit-sharing plans, retirement plans, fiduciaries to plans, including participant directed defined contribution plans and defined benefit plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, corporations and other U.S. institutions.

For participation in a ProEquities-sponsored wrap-fee program, ProEquities requires a minimum initial investment, as discussed in detail in the Firm's Wrap Fee Program Brochure for the wrap fee programs offered through ProEquities. Please consult the firm's Wrap Fee Program Brochure for information related to investment and/or participation in a ProEquities-sponsored wrap-fee program.

The minimum initial investment for participation in a third party money manager program varies by each third party manager and is not controlled by ProEquities or its Advisors.

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

- ***Methods of Analysis***

Two common approaches to selecting investments are fundamental analysis and technical analysis. ProEquities Advisors may use either, neither or a combination of these approaches in their management of, or provision of advice regarding, client assets managed by the Advisor. ProEquities does not mandate which analysis its Advisors must utilize in assisting their clients and/or in the creation of their investment models

- Fundamental analysis involves analyzing individual company information such as its financial statements, product line, experience and expertise of management and the outlook for the company. Similar information relating to the industry or other market sectors is also analyzed. The resulting data is used to measure the "true value" of the security compared to the current market value. Fundamental analysis can involve risk, since the information obtained may be incorrect and/or the security may be already fairly valued based on factors not apparent in the analysis.

- Technical analysis involves using chart patterns, momentum, prices, trading volume, relative strength and similar measures of a stock's historical performance in an effort to select securities that may outperform their relevant market index. However, there is no assurance of accurate forecasts or that trends will develop in the markets followed. In the past, there have been periods without discernable trends and similar periods can occur in the future. Even where such trends develop, unforeseen factors could impact them. Another limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may suggest investment decisions be made in response to minor price movements or establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price movements within a given market.

Other approaches Advisors may use when selecting investments include: (i) financial newspapers and magazines, (ii) inspections of corporate activities, (iii) research materials prepared by others, (iv) timing services, (v) annual reports, prospectuses, filings with the Securities and Exchange Commission, (vi) company press releases, and (vii) economic and/or quantitative analysis.

- ***Investment Strategies***

Various investment strategies can be employed in our programs and when providing advisory services, including (i) long-term purchases (securities held at least one year), (ii) short-term purchases (securities sold within a year), (iii) trading (securities sold within 30 days), (iv) short sales, (v) sales or purchases of securities on margin and (vi) option writing (including covered options, uncovered options or spreading strategies). Each Advisor may utilize a different investment methodology in the management of client assets, which may affect the performance of an individual client's account. Investing in securities involves risk, including the possible loss of principal invested. There is no guarantee investing in a particular security or investment strategy will result in favorable performance for the client's account. Investment in securities are not deposits of a bank, savings and loan or credit union; are not issued by, guaranteed by, or obligations of a bank, savings and loan, or credit union; and are not insured or guaranteed by the FDIC, SIPC, NCUA or any other agency.

Strategic and tactical asset allocation model portfolios are also employed in ProEquities programs. In addition, model mutual fund and variable annuity asset allocation portfolio programs, provided by a number of institutional investment managers and strategists, may be used when managing client assets. ProEquities analyzes investment programs and products of TAMPs and third party managers by reviewing the background of persons associated with the manager, the manager's investment process, investment philosophy, and methodology used within the program. Investment strategies and philosophies used within our managed programs or when providing advisory services vary based on the advice provided by an individual Advisor. Models and strategies used by one Advisor can be different than models and strategies used by other Advisors. Some Advisors limit their advice to mutual funds and others will provide advice on a full range of securities that include equities, mutual funds, options, fixed income and other types of investments. Some Advisors will develop models or strategies that are generally applied to their clients while other representatives will develop individualized portfolios for each client.

A specific investment strategy or investment policy is determined for the client, focusing on the client's specific financial situation, goals and stated investment objectives. The Advisor is responsible for developing and determining the investment strategies used with his or her clients' accounts which may include a selection of a TAMP or third party manager. In Advisor managed accounts, the Advisor is also responsible for monitoring the accounts and re-allocating them as may be appropriate based on changing market conditions, changes in the client's individual circumstances or other factors.

If a client's individual situation changes, they should notify their Advisor, who will assist them in revising the current portfolio and/or prepare an updated client profile so that the Advisor can determine if a revised model portfolio would be more appropriate. It is important that clients understand the concept and risks inherent in exchanging an investment from one position to another. Investment decisions result in either a profit or loss, both with potential corresponding tax consequences. ProEquities and its Advisors cannot guarantee that the objectives of any investment program will be achieved. Furthermore, it is important to understand exchanging one mutual fund for shares of another mutual fund is treated as a sale for federal income tax purposes and capital gains or losses may be realized unless the client is eligible for tax deferral under a qualified retirement plan.

A margin transaction occurs when a client uses borrowed funds to purchase financial instruments or make additional investments. The client generally uses securities they own in their account as collateral to obtain the sum needed for the borrowed assets. Because of the effect of borrowing, a client magnifies any gains or losses of the security purchased on margin. If the collateralized assets experience a decrease in value, the client may be required to liquidate current holdings in the account and/or deposit additional funds to the account. Using margin presents a conflict of interest to ProEquities in that ProEquities benefits economically from clients using margin. Further, a client's total account value, with no offset for margin balances, is used to calculate and assess its respective advisory fees.

- ***Risk of Loss***

Investment portfolios, programs, models, asset allocations or strategies entail the risk of loss; and values and returns fluctuate over time. While we seek to limit any losses, there have been periods of loss in the past, and there will likely be others in the future. Diversification does not guarantee a profit or protect against loss, and there is no guarantee that any investment objectives will be achieved. These programs, portfolios, models, asset allocations and strategies are not FDIC insured and the investments in them may lose value. All investment programs have certain risks borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Market Risk: This type of risk is caused by external factors independent of a security's particular underlying circumstances. Markets can, as a whole, go up or down on various news releases or for no discernable reason. This sometimes means the price of specific securities can fluctuate without any real reason and take some time to recover any lost value. Adding securities does not help to minimize this risk since all securities may be impacted by market fluctuations.

- Short-Term Trading Risk: These types of transactions may result in short-term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long-term strategies. Clients should consult with their tax professional regarding tax implications of short-term trading.

- Investment Term Risk: Clients requiring us to liquidate their portfolio during a period in which the price of the security is low will not realize as much value as if the investment had the opportunity to increase or regain its value (as investments sometimes do) or had we been able to reinvest in another security.

- Short Sales Risk: Short sales are motivated by the belief that a security's price will decline, enabling it to be bought back at a lower price to make a profit. The maximum gain on a short sale is limited but the maximum loss is theoretically infinite. Short sales also involve significant expenses, dividend responsibilities, possible regulatory prohibitions and critical timing considerations that impact potential profitability.

- Margin Risk: Clients engaging in margin transactions are borrowing funds to purchase securities using loans for which their portfolio serves as collateral for repayment. Use of margin increases a portfolio's risk as price swings are amplified and, if the value of securities declines, the client can lose more funds than originally deposited. The lender or custodian may be required to cease trading or liquidate securities in the account to meet a margin call or credit line demand. When using margin as a strategy, the client can lose more than the original investment.

- Non-Purpose Loan Risk: Clients utilizing a Non-Purpose Loan are borrowing from Pershing using their AMP Platform account as collateral. A Non-Purpose Loan may not be used to purchase securities and can only be used in non-qualified accounts. Securities in the account may be sold at any time and without notice by ProEquities to satisfy any deficiency in the value of the securities pledged for the loan. The fees and interest incurred by the client are deducted from the client's AMP Platform account, which erode the account's performance over time. A client must be aware these fees and interest are in addition to the advisory management fees of the account. If the value of the collateralized securities declines, the client is still responsible for the outstanding loan balance, and thus can lose more than the original investment. ProEquities has a conflict of interest in that it receives a portion of the interest and fees paid by the accountholder. ProEquities mitigates this risk by disclosing it and by reviewing each loan application to determine whether or not the use of a loan is appropriate and in line with the client's goals and objectives.

- Option Risk: The purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. Uncovered Calls or Spreading Strategies: There are special risks associated with uncovered option writing that may expose clients to significant losses. Therefore, this type of strategy may not be suitable for all clients approved for options transactions. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price. As with writing uncovered calls, the risk of writing uncovered put options is substantial if there is a significant decline in the value of the underlying instrument. Uncovered option writing is suitable only for the knowledgeable client who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements with little or no prior notice in accordance with the investor's margin agreement. For combination writing, where the client writes both a put and a call on the same underlying instrument, the potential risk of losses is substantial and unlimited.

- Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

- Inflation Risk: The risk is that the rate of inflation will exceed the rate of return on an investment. The investment value itself does not decline but its relative value does.

- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk. ProEquities typically does not recommend purchases of overseas investments.

- Political Risk: Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

- Regulatory Risk: Changes in law and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They generally carry a higher risk of profitability than an electric company, which may generate much of its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- Concentrated Investment Risk: Certain investment strategies may be concentrated in a specific sector, industry or individual security. In this case, a concentrated portfolio will be more likely to sharply increase or decrease in value with changes in the market. This strategy is more volatile because the risk associated with each security represents a large percentage of the overall portfolio.

- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid while real estate properties are not.

- Financial or Default Risk: Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations and service its debts in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value. Ratings provided by several rating services help to identify those companies with more risk.

- Risks Specific to Sub-Advisors and Other Managers: If we invest some of a client's assets with another advisor (including private placement), there are additional risks. For example, the other manager may not be as qualified as we believe them to be, the investments those managers use may not be as liquid as we would normally use, or the mangers' risk guidelines may be more liberal than we would normally employ.

- Retirement Plan Risks: For services provided to retirement plans, ProEquities will apply generally accepted investment theories so that its investment choices for the Plans are made with the objective to reasonably diversify Plan assets to minimize the risk of large losses and to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures to meet the risk-based categories identified in the Plan's investment policy statement ("IPS"). ProEquities, through its Advisors, may recommend changes to the underlying investments and/or the asset allocation percentages of any Model Portfolios and, at the Plan Sponsor's request, may communicate any instructions directly to the Platform Provider or Custodian. A Sponsor may make available to Plan participants a number of different types of securities, including mutual funds, collective investment funds, GICs, ETFs, annuity sub-accounts or other securities. Each different type of security carries with it risks that are inherent in that specific type of security. Mutual funds, collective investment funds, ETFs and sub-accounts may also invest in varying types of securities which carry these risks. Investing in securities involves the risk of loss that clients should be prepared to bear. ProEquities, through its Advisors, may use or provide to Plan Sponsors data or information provided by third parties when providing investment management services. While ProEquities reasonably believes that the information or data is reliable, it does not promise that it is accurate, current or consistently available. A Sponsor is responsible for all the tax liabilities arising from any transactions, including any liabilities arising from the failure to maintain the qualified status of a retirement plan receiving the services.

- Cybersecurity Risk: The information and technology systems of ProEquities, its Advisors, and of key service providers to ProEquities and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes, communication transmission failures, misappropriation of information or assets, corrupted data, privacy breaches and interruptions/disruptions to operations, all of which have the potential to contribute to investment account losses and/or negative outcomes (e.g., privacy breach). Although ProEquities, its Advisors, and key service providers have implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for ProEquities, its Advisors, or key service providers to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of and/or access to ProEquities, its Advisors, key service providers or client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

- Risk Management Failures: Although ProEquities attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by ProEquities, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, ProEquities may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

- Systems and Operational Risk: Systems and Operational Risk: ProEquities relies on certain financial, accounting, data processing and other operational systems and services that are employed by the ProEquities and/or by third party service providers, including prime brokers, the third party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, ProEquities and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by ProEquities and third party service providers to safeguard information in these systems, ProEquities, clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, and liability under applicable law, regulatory intervention or reputational damage.

Investors should understand there are risks inherent in all financial decisions and transactions, and there is no guarantee investment objectives will be achieved. Our firm and our affiliated entities make no promises, representations, warranties or guarantees that any of its services to be rendered will result in a profit. Our firm and our affiliated entities do not guarantee the future performance or any specific level of performance, the success of any investment decision or strategy our firm and any of our affiliated entities may use or the success of our overall management. The values of the account will fluctuate (perhaps significantly) due to market conditions, manager performance and other factors. Using any benchmark or index in connection with the investment management services is no promise that the performance of the plan's particular investments will experience the same results, including the results shown on the various reports that are delivered as part of the Services. ProEquities and our Advisors will not be liable for any loss incurred with respect to any client account, except where such loss directly results from such party's negligence or malfeasance. Nothing in this section is intended to be a waiver of any right of action available under applicable securities laws or rights in the event ProEquities and our Advisors breach any fiduciary duty owed.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of ProEquities or the integrity of ProEquities' management. ProEquities reports the following disclosure events:

- On March 23, 2009, ProEquities entered a Letter of Acceptance, Waiver and Consent with FINRA. FINRA alleged that, during a breakpoint self-assessment conducted in 2004, ProEquities failed to timely conduct account reviews requested by customers and failed to timely provide refunds to customers to whom a refund was due, in violation of NASD Conduct Rule 2110. Without admitting or denying the allegations, ProEquities consented to the findings by FINRA and was fined $25,000.

- On August 30, 2010, ProEquities entered a Stipulation with the New York Department of Insurance. The New York Department of Insurance alleged that the Firm violated its rules by failing to report on the Firm's March, 2009 Corporate license renewal that ProEquities was involved in an administrative proceeding that was commenced by the then NASD prior to 3/18/2009 (see above 3/23/09 action). The Firm did not believe that this matter was reportable at the time of the March, 2009 corporate license renewal as it had not yet been finalized by the NASD/FINRA until May, 2009, as FINRA had indicated that the Firm's Acceptance, Waiver and Consent might not be accepted. This was not an intentional failure to report, but rather the Firm did not believe the matter was reportable at the time of the renewal. The Firm was fined $750.

- On October 25, 2010, ProEquities entered a Consent Agreement with the Indiana Securities Division, after the Division alleged that ProEquities violated Indiana Code by failing to timely respond to a customer complaint. The complaint in dispute was received by the Firm in January, 2009 and was submitted to the Firm's employee who was then responsible for reviewing and providing a response to such complaint. This employee was terminated through a reduction in force, and the Firm learned after termination that this employee had not responded to a number of complaints. In review of the complaint in dispute, the representative informed the Firm that the customer had withdrawn the complaint and therefore no response was necessary. Over a year later, this customer filed a complaint with Indiana; the Firm provided a timely response and made settlement with the customer to correct an error that prompted the original complaint. Although ProEquities believed that this was an extraordinary circumstance of an employee's failure to adequately perform their job function, and not an indication of systemic issues with ProEquities' procedures, the state determined that this was nonetheless a violation of the Indiana Code. Without admitting or denying the state's allegations, but rather to avoid the expense and inherent uncertainty of a formal hearing, ProEquities entered into a Consent Agreement and was fined $9,000.

- Multi-State review of an administrative services agreement with an unaffiliated firm: State regulators alleged that ProEquities violated Securities Law of the state, in that ProEquities paid commissions to another registered broker-dealer while that broker-dealer was not registered as a broker-dealer in the state. In an effort to avoid protracted and expensive proceedings in numerous states, ProEquities agreed to resolve the investigations through Consent Order, wherein ProEquities agreed to a total payment of $435,000 allocated according to a schedule provided by the multi-state investigation group which included individual state securities regulatory authorities. The payments to the unaffiliated broker-dealer represented a portion of the compensation from the sale of securities and/or provision of investment advice by ProEquities representatives and were payment for administrative services. That agreement has since been terminated. The sale of securities and/or provision of investment advice to retail customers were made by representatives of ProEquities, who were properly registered at all times with ProEquities in the states in which the clients were located.

State	State Regulator	State Law Violation	Consent Order dated with State	Timeframe (if applicable)	Amount payable to the state
Maine	Maine Office of Securities	32 M.R.S., Section 16604	March 31, 2012	n/a	$8,207.50
Wisconsin	Wisconsin Division of Securities	Wisconsin Uniform Securities Law Chapter 551	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
California	California Department of Corporations	Corporations Code sections 25210 and 25230	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
Utah	Utah Division of Securities	Section 61-1-3 of the Utah Uniform Securities Act	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
Alabama	Alabama Securities Commission	Title 8, Chapter 6, Section 2, Code of Alabama 1975, the Alabama Securities Act	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
South Carolina	Securities Commissioner of South Carolina	Sections 35-1-401, 35-1-402, and 35-1-403	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
South Dakota	South Dakota Division of Securities	SDCL 47-31B-401, 47-31B-402, 47-31B-403 and 47-31B-404	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
Nevada	Nevada Securities Division	Nevada's Uniform Securities Act, NRS 90.211 et. Seq.	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
Rhode Island	Rhode Island	The Rhode Island Uniform Securities Act 7-11-101 et. Seq. of the Rhode Island general laws of 1989 as amended	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
Oregon	Oregon Division of Finance	ORS 59.165	August 6, 2012	4/30/2010 to 12/2/2011	$8,207.55
Texas	Texas State Securities Board	Sections 23, 23-1, 23.A and 28 of the Texas Securities Act	August 6, 2012	4/30/2010 to 12/2/2011	$8,207.55
Colorado	Colorado Division of Securities	Sections 11-51-401(a)(1.5)(2) and (2.5), C.R.S.	August 6, 2012	4/30/2010 to 12/2/2011	$8,207.55
Minnesota	Minnesota Department of Commerce	Minn. Stat. et seq 80A.56 through et seq 80A.58	July 11, 2012	4/30/2010 to 12/2/2011	$8,207.55
New Jersey	New Jersey Bureau of Securities	N.J.S.A. 49:3-47 et seq ("Securities Law"), specifically N.J.S.A. 49:3-56(A).	September 17, 2012	4/30/2010 to 12/2/2011	$8,207.55
Missouri	Missouri Secretary of State	Sections 409.4-401, 409-4.402, and 409.4-403, RSMO (CUM. SUPP. 2011)	September 18, 2012	4/30/2010 to 12/2/2011	$8,207.55
Nebraska	State of Nebraska Department of Banking and Finance	The Securities Act of Nebraska, Neb. Rev. Stat. 8-1101 through 8-1123 (Reissue 2007; Cum. Supp. 2010; Supp. 2011) ("The Act")	September 17, 2012	4/30/2010 to 12/2/2011	$8,207.55

Maryland	Securities Commissioner of Maryland	Sections 11-401 and 11-402 of the Maryland Securities Act, Title 11, Corps. & Ass'ns, MD. Code Ann (2007 Repl.Vol. & Supp. 2012) ("Act" or "Securities Act")	September 17, 2012	4/30/2010 to 12/2/2011	$8,207.55
Idaho	Department of Finance of the State of Idaho	Idaho Code Sections 30-14-401 through 404	September 17, 2012	4/30/2010 to 12/2/2011	$8,207.55
Mississippi	Mississippi Secretary of State Securities and Charities Division	Miss. Code Ann. Sections 75-71-401 through 75-71-404	September 17, 2012	4/30/2010 to 12/2/2011	$8,207.55
Washington	State of Washington Department of Financial Institutions Securities Division	RCW 21.20.040	September 17, 2012	4/30/2010 to 12/2/2011	$8,207.55
Tennessee	Commissioner of Commerce and Insurance for the State of Tennessee, at Nashville	Tenn. Code Ann. 48-2-109	October 16, 2012	4/30/2010 to 12/2/2011	$8,207.55
North Dakota	North Dakota Securities Department	N.D.C.C. 10-04-10	October 16, 2012	4/30/2010 to 12/2/2011	$8,207.55
Pennsylvania	Pennsylvania Department of Banking and Securities	certain provisions of the Pennsylvania Securities Act of 1972 (1972 Act) in connection with the offer and sale of securities in the Commonwealth of Pennsylvania	October 16, 2012	4/30/2010 to 12/2/2011	$8,207.55
Georgia	Office of the Secretary of State Commissioner of Securities State of Georgia	Article 4 of the Georgia Uniform Securities Act of 2008 ("2008 Act"), and its predecessor, section 10-5-3 of the Georgia Securities Act of 1973 ("1973 Act")	October 16, 2012	4/30/2010 to 12/2/2011	$8,207.55
Massachusetts	the Commonwealth of Massachusetts Office of the Secretary of the Commonwealth Securities Division	Mass. Gen. Laws Ch. 110A, 201	October 16, 2012	4/30/2010 to 12/2/2011	$8,207.55
New Hampshire	New Hampshire Bureau of Securities Regulation	RSA 421-B:6 and 421-B:26	October 25, 2012	4/30/2010 to 12/2/2011	$8,207.55
District of Columbia	District of Columbia Department of Insurance, Securities and Banking	D.C. Official Code 31-5602.01(A) and 31-5602.02(A)	November 12, 2012	4/30/2010 to 12/2/2011	$8,207.55
Indiana	State of Indiana Office of the Secretary of State Securities Division	Ind. Code 23-19-4-1, Ind. Code 23-19-4-2, Ind. Code 23-19-4-3 and Ind. Code 23-19-4-4	November 12, 2012	4/30/2010 to 12/2/2011	$8,207.55
Delaware	Securities Commissioner for the state of Delaware	6 Del. C. 73-301(A) and 6 Del. C. 73-301(C)	November 12, 2012	4/30/2010 to 12/2/2011	$8,207.55
Arkansas	Arkansas Securities Commissioner	Ark. Code Ann. 23-42-301 of the Arkansas Securities Act, Codified at Ark. Code Ann. 23-42-101 through 23-42-509 ("Act")	November 12, 2012	4/30/2010 to 12/2/2011	$8,207.55
Iowa	Iowa Insurance Division	Code Sections 502-401(1), 402(1), 403(1) and 401(1)(2011)	November 12, 2012	4/30/2010 to 12/2/2011	$8,207.55
Virginia	Commonwealth of Virginia State Corporation Commission at Richmond	13.1-504 A, B and C of the Virginia Securities Act ("Act"), 13.1-501 et seq Code of Virginia	November 12, 2012	4/30/2010 to 12/2/2011	$8,207.55
Montana	Commissioner of Securities and Insurance Montana State Auditor of Montana	Mont. Code. Ann. 30-10-201	October 31, 2012	4/30/2010 to 12/2/2011	$8,207.55
Alaska	Alaska Department of Commerce	Alaska Statutes ("AS") 45.50.030	December 4, 2012	4/30/2010 to 12/2/2011	$8,207.55
Kentucky	Commonwealth of Kentucky Public Protection Cabinet, Department of Financial Institutions	KRS 292.330	December 4, 2012	4/30/2010 to 12/2/2011	$8,207.55

Ohio	Ohio Division of Securities	Ohio revised Code ("ORC") 1707.14,1707.414, 1707.16 and 1707.161	December 4, 2012	4/30/2010 to 12/2/2011	$8,207.55
Kansas	Securities Commissioner of the State of Kansas	K.S.A. 17-12A401, K.S.A. 17-12A402, K.S.A. 17-12A403, and K.S.A. 17-12A404	January 7, 2013	4/30/2010 to 12/2/2011	$8,207.55
U.S. Virgin Islands	Government of the U.S. Virgin Islands	Chapter 23, 9 VIC, Sections 631, 632, 633 and 634	January 7, 2013	4/30/2010 to 12/2/2011	$8,207.55
New Mexico	State of New Mexico Regulation and Licensing Department Securities Division	Sections 58-13B-3 and 58-13B-5 of the New Mexico Securities Act of 1986 (1986, as amended through 2004) and Sections 58-13C-401 through 404 of the New Mexico Uniform Securities Act, NMSA 1978058-13C-101 to 58-13C-701 (2009) ("The Act")	January 22, 2013	4/30/2010 to 12/2/2011	$8,207.55
Florida	State of Florida Office of Financial Regulation	Section 517.12, Florida Statutes	January 22, 2013	4/30/2010 to 12/2/2011	$8,207.55
Vermont	Vermont Department of Financial Regulation	Vermont Uniform Securities Act (2002)	February 28, 2013	4/30/2010 to 12/2/2011	$8,207.55
Hawaii	State of Hawaii Department of Commerce and Consumer Affairs	HRS 485A-604	June 29, 2017	4/30/2010 to 12/2/2011	$8,207.55
Michigan	Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau	Section 604 of the Securities Act, MCL 451.2604	January 3, 2017	4/30/2010 to 12/2/2011	$8,207.55
Louisiana	State of Louisiana	Louisiana LSA-R.S. 51:703	September 26, 2016	4/30/2010 to 12/2/2011	$8,207.55
North Carolina	State of North Carolina Department of Secretary of State Securities Division	N.C.G.S. 78A47(B) AND 78C28(B)	May 5, 2017	4/30/2010 to 12/2/2011	$8,207.55

- On March 27, 2013, ProEquities entered a Consent Agreement with the Indiana Securities Division, after the Division alleged that ProEquities violated Indiana Code by failing to engage for a required branch audit and file the audit report by the established deadline. Despite notice of the required audit, the firms' Indianapolis branch office personnel failed to complete the required audit and submit the audit report as required. The Firm's home office was not notified of the audit requirement and was not aware that the branch office had failed to comply with the audit requirement until notice by the Indiana Securities Division. The Firm has since established procedures whereby the home office personnel will contact the Division annually to determine which, if any, of its branches have been selected for review.

- On October 22, 2015, ProEquities entered a Letter of Acceptance, Waiver and Consent with FINRA. FINRA alleged that, from May 1, 2009 to April 30, 2014, ProEquities failed to apply sales charge discounts to 713 eligible Unit Investment Trust ("UIT") purchases, resulting in customers paying excessive sales charges of approximately $109,709.00 in violation of FINRA Rule 2110. In addition, FINRA alleged that ProEquities failed to establish, maintain, and enforce a supervisory system and written supervisory procedures reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases in violation of NASD Conduct rule 3010 and FINRA Rule 2010. Without admitting or denying the allegations, ProEquities consented to the findings by FINRA and was fined $165,000.

- On August 18, 2016, ProEquities entered a Letter of Acceptance, Waiver, and Consent with FINRA. FINRA alleged that, from January 1, 2008 to April 30, 2012, ProEquities failed to establish, maintain, and enforce adequate written procedures to supervise sales of non-traditional exchange-traded funds in violation of NASD Conduct Rules 3010(b) and FINRA Rule 2010 (for the time period prior to December 15, 2008).In addition, FINRA alleged that during the time period April 2006 through July 2013, ProEquities failed to establish, maintain, and enforce adequate written procedures to supervise the creation and dissemination of consolidated reports, in violation of NASD Conduct Rules 3010, subparts (b) and (d)(2), and 2110 (conduct prior to December 15, 2008)and FINRA Rule 2010 (conduct after December 14, 2008). Also, during the time period, January 1, 2014 through March 30, 2014, ProEquities failed to enforce its written procedures relating to the supervision of registered persons conducting investment advisory business through independent registered investment advisors, in violation of NASD Conduct Rules 3010(d) and 3040(c) and FINRA Rule 2010. In addition, during the time period, June 3, 2013 through March 28, 2014, ProEquities failed to enforce certain provisions of its written procedures relating to the supervision of sales of variable annuities and 1035-exchange transactions, in violation of NASD Conduct Rules 3010(b) and FINRA Rules 2330(d) and 2010. Finally, during the time period, June 3, 2013 through March 28, 2014, ProEquities violated of NASD Conduct Rule 3010 and FINRA Rules 2330(d) and 2010 by maintaining written procedures relating to the supervision of sales of variable annuities that identified, but did not sufficiently address, particular factors to be considered in assessing the suitability of a recommendation to buy or sell, in whole or in part, a variable annuity. Without admitting or denying the allegations, ProEquities consented to the findings by FINRA and was fined $200,000.

- On November 3, 2016 State of Arkansas alleged that ProEquities violated Ark. Code ANN. SS 23-42-301(B)(1) when its registered representative, who was not registered with the department, sold security issued by FT. Collins Mutifamily III DST to one Arkansas resident. Without admitting or denying the findings of fact or conclusions of law, the firm agreed to the consent order and a $1,000 monetary fine.

- On July 20, 2018, ProEquities entered a Consent Order with the state of Connecticut. The state of Connecticut alleged that ProEquities failed to establish, enforce and maintain an adequate supervisory system in connection with the activities of a former registered representative. The department alleged that ProEquities did not have procedures in place to confirm the purpose and nature of a written, third-part wire request signed by the client. Furthermore, the Department alleged that ProEquities failed to seek further information regarding the fact that the third party was an undisclosed outside business activity of the representative, even though the representative was required, yet failed, to disclose all outside business activities to ProEquities. Without admitting or denying the findings of fact or conclusions of law, the Firm agreed to the Consent Order and paid a $7,500 fine and reimbursed the client $90 in fees.

- Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the advisor or the integrity of their management. ProEquities self-reported to the SEC on March 28, 2018, pursuant to the Division of Enforcement's Share Class Disclosure Initiative. While ProEquities has neither admitted nor denied the SEC's findings, the SEC found that ProEquities has breached its fiduciary duty and had inadequate disclosures in connection with ProEquities' mutual fund share selection practices.

  During January 1, 2014 to February 11, 2019 (the relevant period), the SEC found that ProEquities' IARs invested advisory clients in mutual fund share classes charging 12b-1 fees and that ProEquities received 12b-1 fees based on those investments. ProEquities' then paid a portion of the 12b-1 fees to its IARs. The SEC found that ProEquities' disclosure documents failed to adequately inform clients that this was
  a conflict of interest because less expensive share classes were available for the same fund and that this made ProEquities' practice inconsistent with its duty to seek best execution for its clients' transactions.

  Without admitting or denying the SEC's findings, ProEquities' submitted an Offer of Settlement, which the Commission deemed to accept, whereby the firm consented to the entry of findings and imposition of sanctions, including cease-and-desist from committing or causing violations of Sections 206(2) and 207 of the Advisers Act. ProEquities was also censured and ordered to pay disgorgement of $1,638,191.06 and prejudgment interest of $214,192.04. Clients can also refer to Investment Adviser Public Disclosure at www.adviserinfo.sec.gov for additional information.

Item 10 – Other Financial Industry Activities and Affiliations

ProEquities is a dually-registered investment adviser with the SEC and broker-dealer with FINRA, and a municipal securities dealer and municipal financial advisor with the SEC and Municipal Securities Rulemaking Board (MSRB). ProEquities' management personnel, as well as each of our Advisors, are also registered representatives of ProEquities' broker-dealer.

ProEquities is not a futures commission merchant, commodity pool operator or commodity trading advisor.

ProEquities is an independent investment advisory Firm with Advisors located geographically throughout the United States; and has been registered as an Adviser with the SEC since 1998. ProEquities is a wholly-owned subsidiary of Protective Life Corporation. Protective Life Corporation was purchased by The Dai-ichi Life Insurance Company, Limited ("Dai- ichi") in February, 2015; therefore Dai-ichi is an indirect owner of ProEquities. Other subsidiaries of Protective Life Corporation which are registered as either broker-dealers or registered investment advisers include:

- Investment Distributors, Inc. is a registered broker-dealer that wholesales Protective Life Insurance Company's variable insurance products. As such, Investment Distributors solely distributes products and does not open or maintain customers' accounts or hold customer funds or securities. Although under common ownership, the relationship to Investment Distributors, Inc. does not present a conflict of interest to ProEquities, its Advisors or our clients.

- Protective Investment Advisors, Inc. is a registered investment adviser with the SEC. Protective Investment Advisors is an asset management arm of, and primarily manages investments for, Protective Life Corporation. Although under common ownership, the relationship to Protective Investment Advisors does not present a conflict of interest to ProEquities, its Advisors or our clients.

ProEquities has networking agreements with several banks or other financial institutions, whereby our Advisors market investments, insurance and annuities in these financial institutions. ProEquities is solely responsible for the suitability of sales made to customers; therefore, the contractual relationship with these financial institutions which allows ProEquities to offer financial products in these institutions does not present a conflict of interest to ProEquities, its Advisors or our clients.

ProEquities is a fully disclosed/introducing broker to Pershing. As such, all client AMP Platform trades are cleared through Pershing and all client accounts are held with Pershing. All accounts in ProEquities sponsored AMP Platform advisory fee programs are held at Pershing.

Item 11 – Code of Ethics

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, ProEquities has adopted a Code of Ethics that governs a number of conflicts of interest ProEquities has when providing advisory services to clients. ProEquities' Code of Ethics is designed to ensure that ProEquities meets our fiduciary obligations to our clients and to foster a culture of compliance, high standards of ethical conduct and professional excellence throughout the Firm.

The ProEquities' Code of Ethics is comprehensive and is designed to help us detect and prevent violations of securities laws and to help ensure that ProEquities keeps clients' interests first at all times. ProEquities distributes the Code of Ethics to each of its supervised persons at the time of his or her initial affiliation with our firm, and annually for as long as he or she remains associated with our firm. ProEquities ensures that updates to the Code of Ethics are communicated to each supervised person as revisions to the Code of Ethics are made.

The ProEquities' Code of Ethics sets forth certain standards of conduct and addresses conflicts of interest among ProEquities and ProEquities' supervised persons and advisory clients. The interest of clients must be placed first at all times.

ProEquities and its Advisors may purchase or sell for their own accounts securities or other investment products that are also recommended to clients, which may create a conflict of interest. To mitigate that conflict of interest, ProEquities' policy prohibits "trading ahead" of clients' transactions. When Advisors are purchasing or selling securities for their own accounts, priority will be given to client transactions. ProEquities' Code of Ethics requires Advisors to place the interests of clients before their own interests. ProEquities' Compliance Department regularly reviews personnel and Advisor trades in an effort to ensure that their personal trading does not impact trades for clients, and clients receive preferential treatment. A copy of our Code of Ethics is available upon request.

All information regarding ProEquities' current or former clients is confidential. Information may only be disclosed when disclosure is consistent with the firm's Privacy Policy and at the client's direction. Please refer to www.proequities.com/privacy for more details, and to learn how we share client information and how this sharing can be limited.

Item 12 – Brokerage Practices

Please consult the brochures related to the ProEquities' wrap-fee programs for information on brokerage practices for investment in these accounts.

ProEquities receives no products, research, or services (i.e. soft dollars) that it would consider a factor in utilizing a particular broker-dealer. However, as a broker-dealer, ProEquities receives certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical database information and computer software that assist ProEquities' investment management process, from our custodian, Pershing, LLC. The information received is used for the benefit of all clients. No services we receive require directing client transactions to any organization. However, certain unaffiliated third party managers offered through the ProEquities Platform may have soft dollar arrangements. Please reference applicable ProEquities' wrap-fee program brochures and client's advisory agreement for more information on potential conflicts of interest related to such transactions. For clients investing and/or participating in third party manager programs, ProEquities has no control over the broker-dealers selected by the unaffiliated third party managers.

Clients wishing to implement advice rendered under a financial planning or financial advice agreement may choose to implement these recommendations with ProEquities through the client's representative, either in a traditional commission or investment advisory arrangement, or a combination thereof, under which the client may pay additional compensation. The firm's Advisors are not permitted to open or assist clients with opening accounts at other broker-dealers.

ProEquities does not conduct Principal or Agency Cross transactions for advisory client accounts. However, certain unaffiliated third party money managers offered through ProEquities may conduct such transactions. Customers participating in a program offered by an unaffiliated third party money manager should consult the disclosure brochures provided by those money managers. Please reference the applicable ProEquities wrap fee program brochures and client's advisory agreement for more information on potential conflicts of interest related to such transactions.

- ***Third Party Manager Direct (TAMP) Platform Brokerage Practices***

TAMPs within the Third Party Direct Platform may select the broker-dealers that execute trade orders for client accounts. As an investment adviser, a TAMP has an obligation to seek "best execution" for client trade orders. The TAMP must place client trade orders with those broker-dealers that the TAMPs believes are capable of providing the best qualitative service, taking into account the full range and quality of the services offered by the broker-dealer, including, but not limited to, the broker-dealer's execution capabilities, the broker-dealer's financial stability, and the broker-dealer's responsiveness to the TAMP. Please note: A Manager's best execution obligation does not require the lowest available cost to be obtained for trade orders.

Third Party Direct Platform TAMPs place client trade orders with a broker-dealer other than ProEquities. For brokerage practices including step-out-trades please consult the respective TAMP's ADV part 2A Brochure. Step-out trades may be executed without additional cost, but in certain instances, the executing firm may impose a commission, mark-up, or mark-down on the trade. If a TAMP engages in a step-out trade and the executing broker-dealer assesses a commission or equivalent fee on the trade, the client will incur trading costs that are in addition to the Annual and Program fees paid by the client to participate in the Program. In such cases, the net purchase or sale price reflected to the client will include the additional cost of the brokerage commissions or dealer mark-ups/mark-downs charged by the executing broker. TAMPs may reasonably believe that they are able to achieve better trading results by trading away. Step-out trading practices differ from TAMP to TAMP. Some TAMPs do not engage in step-out trading, while others step out all transactions at no additional cost or for various additional costs. TAMPs who engage in step-out trades may be more costly to a client than TAMPs who do not engage in step-out trades. Clients should review the TAMP's Form ADV Part 2A Brochure, inquire about the TAMP's trading practices and associated trading costs, and consider this information carefully before selecting a TAMP.

In the selection of brokers or dealers to effect transactions, the TAMP should, as part of its best-execution obligations, consider all relevant factors, including, but not necessarily limited to, the value of research services, speed and efficiency, execution capability, confidentiality, commission rates, and responsiveness of the executing broker or dealer. The TAMP may select brokers or dealers that provide the TAMP research or other transaction-related services and may cause the client to pay such brokers or dealers commissions or other transaction-related fees in excess of those that other brokers or dealers may have charged.

Clients should understand that ProEquities does not evaluate whether a TAMP is meeting its best-execution obligations to clients when trading away, as it is not a party to such transactions and is not in a position to negotiate the price or transaction-related charge(s) between the TAMP and the executing broker or dealer. ProEquities does not discourage or restrict a TAMP's ability to trade away.

Clients participating in the Third Party Direct Platform should review the TAMP's Form ADV Disclosure Brochure carefully prior to deciding to do business with any particular TAMP. Among other things, the TAMP's Brochure must disclose the TAMP's conflicts and various sources of compensation, as well as those costs incurred by clients that may result from engaging in step-out trades. Clients should also discuss the use or intended use of any particular TAMP with their ProEquities Advisor, including the TAMP's trading practices and the costs that may be borne by the client should he or she choose to participate in the Third Party Direct Platform.

- ***AMP Platform***

Where ProEquities is the introducing broker-dealer on AMP accounts, ProEquities will act as a broker for transactions in CAM, PreTradePlus and ProTradePlus accounts and will assess a transaction charge for certain transactions unless transaction costs are included in the asset-based fee. The transaction-based charges assessed by ProEquities are not shared with the ProEquities Advisor providing services. The receipt of transaction charges by ProEquities may be viewed as a conflict of interest. We mitigate this conflict by disclosing it, disclosing the amount of commission-trading cost there will be for the products or securities being purchased or sold, not sharing any transaction fee revenue with the ProEquities Advisor that recommends transactions or strategies and by requiring there be a review of the clients' account at account opening and periodically to ensure it is suitable in light of matters such as investment objectives and financial circumstances. ProEquities, as the broker-dealer on such program accounts, has a duty to ensure such transaction charges are reasonable in light of its best execution responsibilities. ProEquities utilizes Pershing, LLC ("Pershing") for several services related to the accounts in the AMP Platform, including clearance and execution services, through a fully-disclosed clearing agreement. The transaction charges assessed by ProEquities and disclosed in the Fee and Commission Schedule received as part of the account opening paperwork are generally higher than the fees that ProEquities pays to Pershing for clearance and execution of transactions. When acting as the broker-dealer of record on a client account, ProEquities is responsible for and performs a number of broker-dealer functions and services with respect to client accounts and any securities transactions. ProEquities' responsibilities include, but are not limited to, collecting, verifying and maintaining documentation about clients and their accounts, approval and acceptance of client accounts, reviewing and supervising activities, including trading activities, within client accounts, reviewing and either accepting or rejecting any transactions within the account, transmission of all orders with respect to the account, supervision of all orders and accounts, including maintaining compliance with fiduciary standards and suitability requirements, as applicable, and ensuring that any mutual fund orders are in compliance with the terms of the applicable prospectus. ProEquities maintains substantial operational, compliance and technology resources in support of its broker-dealer operations necessary to provide these and other services in connection with client accounts and any transactions effected therein. For more information on brokerage practices on AMP, CAM, PreTradePlus and ProTradePlus accounts, please refer to Selection of Broker Dealer in Item 4 of the Wrap Brochure.

Advisor-directed accounts in the CAM Program allow the Advisor to absorb transactions charges or pass them to the client. In cases where the ProEquities Advisor pays the transaction charges, the Advisor has an incentive to trade less frequently and/or to use securities that do not incur transaction charges, resulting in lower transaction charges to the ProEquities Advisor. We mitigate this conflict by monitoring activity in client accounts and requiring that Advisor document the account reviews they conduct with clients, and other ongoing advice that may not result in transactions in a specific client account. ProEquities also offers advisor- directed portfolios with separate advisory fees and transaction charges assessed to the client in PreTradePlus and ProTradePlus accounts. In that case, in addition to the fee paid for investment advice, a client will also pay separate per-trade transaction charges. However, the separate per-trade charges do not include sales commissions payable to the Advisor.

Item 13 – Review of Accounts

The Advisor will contact their client, and typically meet with the client at least annually, to review the performance of the client's account and any changes to financial situation and investment goals and objectives. Advisors may also perform account reviews more frequently when market conditions dictate. Other conditions that may trigger a review are changes in tax laws, new investment information and changes in the client's situation. ProEquities also requires the client, in our standard client agreement, to inform their Advisor promptly of any changes to their information, including changes to financial situation or investment objectives and policies. The client will receive confirmations of all transactions and statements no less frequently than quarterly from the designated custodian. Quarterly performance reports are made available by the respective platform provider. ProEquities' Advisors and our home office personnel are typically available during normal business hours to answer questions or concerns a client may have.

Item 14 – Client Referrals and Other Compensation

As discussed more fully in Item 5, ProEquities receives additional compensation as reimbursement for training and educational expenses, reimbursement for product marketing efforts or attendance at due diligence meetings, and research and due diligence. ProEquities has also entered into marketing arrangements with a number of mutual funds, variable contract, non-traded alternative investment product sponsors and third party money managers. These "product partners" are sometimes invited to attend or participate in educational meetings and conferences for ProEquities Advisors and may be featured more prominently on the ProEquities website or other communications than other product sponsors. As a result, some product partners have greater access to our registered representatives than other product sponsors.

Through certain third party money manager arrangements, ProEquities Advisors are deemed by the third party manager to be solicitors for these companies. The compensation paid to ProEquities by these third party managers may be classified as solicitor or referral fees, regardless of the services provided to the client by the Advisor.

From time to time, investment advisory business is referred to ProEquities Advisors through solicitors. Compensation may be paid to the solicitor either by a flat fee arrangement or a percentage of the total management fee charged to the client. Under such arrangements, the client will receive a Solicitor Disclosure Document which details the payment of these fees.

Item 15 – Custody

Effective June 1, 2018, ProEquities changed its policy regarding the receipt of checks and physical securities for deposit to a client's account at Pershing. ProEquities no longer accepts checks payable to ProEquities for deposit into a client account at Pershing, but rather these checks must be made payable to Pershing, LLC, our clearing broker dealer. Physical security certificates must be sent directly to Pershing by the client.

- ***Wrap Fee Programs (AMP)***

For those investments in ProEquities-sponsored wrap-fee programs, ProEquities has custody of its clients' funds and/or securities in that it deducts fees from client accounts pursuant to the client's advisory agreement. Pershing, LLC, our custodian, provides account statements to AMP clients at least quarterly. Performance reports are available per client request by contacting the Advisor. Variable annuity products may be either held solely and directly at the insurance company or linked to a ProEquities-sponsored AMP account for billing purposes. In either case, the insurance company with whom the annuity contract is signed is the custodian of those assets. ProEquities urges clients to carefully review the official custodian account statements and compare the information presented to the account performance reports that we may provide. These performance reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Under the Amended Custody Rule, ProEquities is deemed to have to custody of client funds and securities because of:

- its authority to deduct fees from the Clients' custodial accounts, and/or
- acting pursuant to a standing letter of authorization (SLOA) or other similar arrangement established by a Client with a qualified custodian authorizing the Advisor to transfer client assets to third party.

ProEquities defines first party money movement where cash or assets are disbursed between two of the client's accounts, where both accounts have the same-named registration. ProEquities defines third party money movement where cash or assets are disbursed between two accounts with different named registrations and/or individual account to a joint account.

Because ProEquities complies with all conditions of the SEC-no action letter regarding the treatment of limited powers to withdraw Client funds on their behalf, ProEquities therefore is not required to comply with the Custody Rule's annual surprise exam requirement.

- ***Third Party Manager Direct (TAMP)***

For those investments in third party money manager programs, ProEquities does not have custody of client funds and/or securities. Clients should carefully review the third party manager's disclosures and advisory agreements to determine who the third party money manager names as custodian, and if the third party money manager has custody of those assets. ProEquities urges its clients to carefully review all statements and performance reports provided to them, as statements from custodians may vary based on accounting procedures, reporting dates or valuation methodologies of certain securities.

- ***Advisory Annuities Outside of AMP***

Advisory share variable annuities are linked to other ProEquities' Pershing accounts for advisory fee billing purposes, but the money invested in these products is invested in the sub-accounts of the insurance carrier's product.

Item 16 – Investment Discretion

With respect to wrap fee programs sponsored by ProEquities, ProEquities may receive discretionary authority from the client at the inception of an advisory relationship, as indicated on the client's investment management agreement, to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. The discretion granted under the client's investment advisory services agreement is limited to trading in securities in the client's account; and does not allow for the withdrawal of client funds or securities, with the exception of the withdrawal of funds to pay for the agreed-upon advisory and/or management fees.

When selecting securities and determining amounts, ProEquities observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, ProEquities' authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to ProEquities and the client's Advisor in writing.

Item 17 – Voting Client Securities

Neither ProEquities nor its Advisors vote proxies on a client's behalf or provide advice about how to vote proxies for securities held in the wrap fee accounts offered through ProEquities' AMP or third party TAMP platforms. Neither ProEquities nor its Advisors advise the client or act on behalf of the client in any legal proceedings, including bankruptcies involving securities held or previously held in these accounts or the issuers of those securities.

ProEquities does not vote proxies on a client's behalf; however, certain unaffiliated third party money managers offered through ProEquities may vote proxies. Customers participating in third party manager programs should consult the advisory agreement and brochures for those managers to ascertain the extent to which those managers may vote proxies. Please reference the applicable ProEquities' wrap fee program brochures and the advisory agreement for more information on whether and how such third party managers will vote proxies.

ProEquities' clearing broker-dealer, Pershing, utilizes the services of a third party vendor, Broadridge, for proxy processing. On record date, Broadridge will send Pershing a list of the applicable securities for which a proxy must be provided to the beneficial owner. Pershing, in turn, will provide Broadridge a list of the names and addresses of customers holding that security. Broadridge then mails hard copies of proxy notices to these customers along with instructions for voting the proxies electronically.

Item 18 – Financial Information

ProEquities does not require prepayment of fees of more than $1,200, per client, and six months or more in advance, and therefore, under Rule 206(4)2 of the Advisers Act, is not required to provide an audited balance sheet for its most recent financial fiscal year.

As a registered investment adviser that has discretionary trading authority for some client accounts, ProEquities is required, per Rule 206(4)-4, to disclose any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its clients. To the best of ProEquities' knowledge, the firm has no financial condition that is reasonably likely to materially affect its ability to meet its contractual obligations. The firm has not been the subject of a bankruptcy proceeding.

ProEquities has adopted a Business Continuity Plan ("BCP") that provides for the continuation of business critical functions in the event its headquarters becomes partially or totally inaccessible. Our BCP is subject to modification at any time. For further details, please review our BCP at www.proequities.com/disclosures.

Item 1 – Cover Page

ProEquities, Inc.

(doing business as Investment Advisors)
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Wrap Fee Program Brochure
Form ADV Part 2A - Appendix 1

April 20, 2020

This Wrap Fee Program Brochure provides clients with information about the qualifications and business practices of ProEquities, Inc. ("ProEquities"). If you have any questions about the contents of this Brochure, please contact us at 800-288-3035. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any governmental authority.

ProEquities, Inc. is a registered investment Adviser. Registration as an Investment Adviser does not imply any level of skill or training. The information in this Brochure provides you with information you can use to determine whether or not to hire or retain ProEquities.

Additional information about ProEquities also is available on the SEC's website at www.Adviserinfo.sec.gov.

Item 2-Material Changes

Specific material changes were made to this Wrap Fee Brochure, the last update to which was made on March 29, 2019. These changes are summarized below. It is important to note that the changes discussed directly below are only those material changes that occurred since the last annual update to this Wrap Fee Brochure.

The following material changes were made:

- As of April 15, 2020, Elizabeth Anderson has been named Interim President of ProEquities, Inc.

Item 4 – Services, Fees and Compensation

- Clients enrolled in a Unified managed Account (UMA) may be eligible for Envestnet's Overlay Services. Tax Overlay Services seeks to consider tax implications that may lessen the Client's after-tax returns. Impact Overlay Services allows Clients to integrate Environmental, Social and Governance factors via customizable direct multiple impact screens intended to align with a comprehensive representation of a Client's personal values.
- Added Dreyfus Government Cash Management Program description for Municipal clients. Municipal client cash balances in accounts will automatically be invested in the Dreyfus Government Cash Management (DGVXX) Program. DGVXX is a "government money market fund" as that term is defined in Rule 2a-7.

Item 9 – Additional Information

- Added disclosure for inadvertent custody due to some accounts having standing letter of authorization (SLOA) or similar arrangement established by a client with a qualified custodian authorizing the Advisor to transfer client assets to a third party.

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Item 4 – Services, Fees and Compensation

ProEquities provides investment advice through investment adviser representatives (“Advisors”) who are independent contractors of the firm and also registered representatives with ProEquities. ProEquities serves as the sponsor of, and in some cases as a portfolio manager for, wrap fee investment programs. ProEquities is a dually registered investment adviser and a broker-dealer (member FINRA/SIPC), which allows our Advisors to offer brokerage products and advisory services to clients. Each Advisor is responsible for maintaining his or her client relationships. The Advisors contract with us to utilize our advisory programs in an effort to help his or her clients meet financial goals and needs. We provide services to our clients through these advisory programs.

ProEquities offers advisory services on a discretionary and non-discretionary basis. If a client participates in our discretionary portfolio management services, we require the client to grant our firm discretionary authority to manage their account. Discretionary authorization will allow ProEquities to determine the specific securities and the amount of securities to be purchased or sold for that client’s account without prior approval to each transaction. Discretionary authority is typically granted by the investment advisory agreement the client signs with our firm, a power of attorney, or trading authorization forms. A client may limit ProEquities discretionary authority (for example, limiting the types of securities that can be purchased for their account) by providing ProEquities with restrictions and guidelines in writing.

This Wrap Program Brochure is to inform our clients about ProEquities’ wrap programs. If a client is interested in learning more about any other advisory programs and services that ProEquities offers, please refer to Item 4 of the ADV part 2A Brochure. As an investment adviser, ProEquities acts as the sponsor of wrap fee programs. By way of definition, a wrap fee program bundles, or wraps, investment advisory services (which, depending on the program, may include investment advice concerning the selection of available investment managers, research, and asset management services) and brokerage services (such as execution of transactions and custody of assets), for a specified wrap fee. The wrap fees differ per each program and will include or exclude the execution of transaction fees. The wrap fee is based generally upon a percentage of the assets under management in the account and not directly upon transactions in the client's account. The client will pay a graduated fee based on the assets of the client’s account including or excluding ticket charges depending on the selected program. The fees vary among wrap fee programs and are subject to negotiation. ProEquities offers a group of investment advisory services and programs to its Advisors to use with their clients, which are designed to accommodate a wide range of investment philosophies, goals, needs and investment objectives.

ProEquities’ services, through the wrap fee programs, may cost more or less than what clients would pay for purchasing the services separately. The factors that bear on the relative cost of the managed account programs include the cost of the services if provided separately and the amount of trading activity in the client’s account. To the extent that the client pays more for a bundled fee than it would by purchasing the services separately, this creates a possible financial incentive for ProEquities and its Advisors to recommend the wrap fee programs over other available programs or services (such as a brokerage account with no advisory services). Prospective clients should consider whether it is advantageous to enroll in a wrap fee program compared to paying separately for investment advice, trade execution and custody services.

Administrative, website, performance reporting, transaction order entry and other services are provided to ProEquities by outside service providers and sub-advisors. A client grants us the discretionary authority to select one or more sub-advisors to provide those services to clients and our firm. Envestnet Asset Management, Inc. (Envestnet), an unaffiliated third party investment adviser, provides these sub-advisory services in the ProEquities Advisory Management Plus (AMP) Platform. Clients establishing AMP Platform accounts receive a copy of Envestnet’s Disclosure Brochure in addition to our firm’s Disclosure Brochure and Wrap Fee Brochure.

- ***AMP Platform***

Prior to opening an account, an Advisor will typically gather information through a meeting with a client to determine, among other things, the client’s investment experience, investment objectives, risk tolerance and general financial condition in order to create an investment profile. These investment profiles will allow Advisors to determine and recommend the appropriate investment products and services.

The AMP Platform offers two broad categories of fee-based managed account programs – Advisor Managed and Third Party Managed accounts, as follows:

ADVISOR MANAGED ACCOUNT PROGRAMS

- Capital Asset Management ("CAM") Program (no new accounts)
- PreTrade Program
- PreTradePlus Program
- ProTrade Program
- ProTradePlus Program

THIRD PARTY MANAGED ACCOUNT PROGRAMS

- Advisor's Choice Separately Managed Account ("SMA") Program
- Advisor's Choice Strategist Program
- Unified Managed Account ("UMA") Program

- ***CAM, PreTrade, PreTradePlus, ProTrade and ProTradePlus Programs***

ProEquities offers the services described herein to clients including, but not limited to, individuals, high net worth individuals, trusts, estates, charitable organizations, corporations or other business entities, and pension plans. These clients can choose from an array of services based upon their particular needs. The investments, allocations and subsequent reallocations for a particular client's account in the Capital Asset Management ("CAM"), PreTrade, PreTradePlus, ProTrade, or ProTradePlus programs are selected based on client investment needs, including, but not limited to, investment objectives, tolerance for risk, and investment time horizon. The client's Advisor diversifies and manages the client's portfolio, which includes, but is not limited to, stocks, bonds, options, mutual funds, exchange traded funds, advisory share class annuities, alternatives (traded and non-traded REITs), business development companies (BDCs), structured products and money market instruments. Effective April 2018, structured note products were made available in both advisory and brokerage accounts. Effective July 2018, a business development company (BDC), Owl Rock, was approved and made available in ProEquities-sponsored advisor managed accounts only. Advisory, or fee-based annuities, are not custodied in an AMP program account, but can be linked to an AMP account to provide on-going Advisor management and portfolio reporting. Some Advisors manage each account to models they have created; other Advisors customize each account to each client. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of each client's portfolio will vary among accounts of ProEquities' diverse field of Advisors.

The client's Advisor will provide investment management of client's funds either on a non-discretionary or discretionary basis, depending on which program is selected. The client's Advisor will manage the client's accounts for a wrap advisory fee. The Advisor executes trades through Envestnet or ProEquities; Envestnet and ProEquities generally execute the trades through Pershing, LLC ("Pershing"), as the executing broker-dealer. In addition to the wrap advisory fee, clients may also pay transaction fees also known as "ticket charges" as further described below. Ticket charges are fees generated anytime a trade is executed in an account. Ticket charges may vary depending upon several factors, such as type of security and the size of the trade to be executed. A table that lists the applicable ticket charges can be found under the Advisory Fees section of this Brochure, below. Clients may also contact their Advisor for a current schedule of applicable ticket charges.

Under certain circumstances such as high trading volume in an account with a small value, ticket charges may approach or actually exceed the amount of the advisory fee. For those clients that do not pay ticket charges, the Advisor and/or ProEquities may have an incentive: (a) not to offer investment advice that involves a trade recommendation (in the case of a non-discretionary account); or (b) not to trade the account (in the case of a discretionary account), as trading activity would generate ticket charges to be paid by the Advisor.

- ***Capital Asset Management "CAM" Program (closed to new accounts)***

The Advisor will work with the client in selecting appropriate investments to assist the client achieve their investment goals. CAM is an Advisor managed program where the Advisor has discretionary or non-discretionary trading authority over the account, except for qualified accounts (i.e. IRAs, 401Ks, etc.) where all accounts are non-discretionary. A discretionary account authorizes the Advisor to execute trades without consulting the client prior to each trade; a non-discretionary account requires the Advisor to obtain the client's consent prior to executing each trade. An advisory wrap fee is billed to the client's advisory account for providing a bundle of services, including but not limited to investment advice, investment research, and brokerage services. In addition to the wrap fee, the program includes transactions fees (aka ticket charges) paid by the Advisor or the client. As such, the Advisor has incentive to trade the account less frequently. ProEquities mitigates this conflict by disclosing it and by monitoring these accounts for minimum trading requirements.

- ***PreTrade and PreTradePlus Programs***

The Advisor will work with the client in selecting appropriate investments to assist the client achieve their investment goals. PreTrade and PreTradePlus accounts are *non-discretionary*, requiring the Advisor to obtain the client's consent prior to executing each trade. An advisory wrap fee is billed to the client's advisory account for providing a bundle of services, including but not limited to investment advice, investment research, and brokerage services. *In the PreTrade Program the ticket charges are included in the wrap fee, whereas in the PreTradePlus Program the ticket charges are billed to the client in addition to the wrap fee.*

- ***ProTrade and ProTradePlus Program***

The Advisor will work with the client in selecting appropriate investments to assist the client achieve their investment goals. ProTrade and ProTradePlus accounts are *discretionary*, which authorizes the Advisor to execute trades without consulting the client prior to each trade. An advisory wrap fee is billed to the client's advisory account for providing a bundle of services, including but not limited to, investment advice, investment research, and brokerage services. *In the ProTrade Program the ticket charges are included in the wrap fee, whereas in the ProTradePlus Program the ticket charges are billed to the client in addition to the wrap fee.*

- ***Advisor's Choice Separately Managed Account and Strategist Programs***

The Advisor's Choice Separately Managed Account "SMA" and Strategist "Strategist" wrap fee programs offer clients an asset management account in which ProEquities, in its capacity as an investment adviser, provides access to and oversees the management of the account by select professional investment management firms (also called third-party managers), according to the client's stated investment objectives. The SMA and Strategist accounts are discretionary, which authorizes the manager and/or Envestnet to effect portfolio transactions in the client's account without consulting the client prior to such transactions, as further described below.

The SMA and Strategist programs available through ProEquities are either managed by the unaffiliated third party managers or are provided to ProEquities by unaffiliated third party investment advisers. In addition to third party managers the Strategist program offers clients managed account models developed and managed by ProEquities' Advisory Investments team as the portfolio manager. The SMA and Strategist programs are managed in accordance with the investment methodology and philosophy used by the respective third party portfolio manager, investment adviser, or strategist. The Strategist program managed by the ProEquities' portfolio manager is directed in accordance with the investment methodology and philosophy of ProEquities' Advisory Investments team. While the ProEquities' models are not necessarily subject to the same selection and review process as other portfolio strategists, we strive to hold ourselves to the same performance standards and our portfolio management team makes adjustments to the portfolios as necessary to continue to achieve their stated goals. In the ProEquities' Strategist program, there is no third party manager or strategist providing or managing account models, thus ProEquities collects both a manager fee and a platform fee. This results in a conflict of interest in that ProEquities' revenue is higher in the ProEquities' Strategist program vs. a third party manager or the SMA program. We mitigate this conflict of interest by disclosing it, by not sharing any of this revenue with our Advisors and by not providing any incentive for our Advisors to select one program over another program.

Managers in the Separately Managed Account (SMA) program generally use individual stocks and bonds as the underlying investment vehicle and may leverage additional security types to build their allocation. These products may represent either a portfolio manager's representation of a single or blended investment style.

The Strategist program offers dynamic, strategic and tactical solutions and portfolios designed to meet client's investment needs by primarily using either exchange-traded funds (ETFs), which includes exchange-traded notes (ETNs) and open-end mutual funds.

The third party managers provide model or custom portfolios they have developed, based on their market and product research and due diligence, for use by ProEquities' clients. Advisors assist their clients in choosing a portfolio developed by the third party manager the Advisor believes is consistent with the client's risk tolerance and investment objectives. Advisors will obtain the necessary financial data from the client to determine the suitability of Advisor's Choice SMA and Strategist Programs and select the appropriate third party asset manager and portfolio. The client and the Advisor will meet periodically to review the client's financial situation, investment objectives, and current portfolio.

Periodically, the third party managers may rebalance or reallocate the securities within their portfolios, as they deem necessary or appropriate. The third party managers will provide their portfolio allocations to Envestnet or will execute the trades through their selected brokers. Envestnet will have trading discretion over the client's account for those accounts where third party managers provide portfolio allocation to Envestnet and will be responsible for placing trade execution orders with the applicable executing broker for the SMA and Strategist accounts to reflect the holdings prescribed for the portfolios, both at account opening and for periodic account rebalancing. Envestnet will affect transactions in the client's account on a discretionary basis in order to rebalance or reallocate the client's account in a manner consistent with the portfolio selected by the client.

Third party managers available through the SMA and Strategist Program will offer various portfolios under this program. These portfolios will include investments in, but not limited to, stocks, bonds, ETFs and mutual funds. Once the client's account reaches the minimum investment amount stated for the third party manager, the third party manager will begin providing services to that client. The client has the ability to impose reasonable restrictions on the investments of the client's account, such as contributions or withdrawals of securities and/or cash, voting securities, requesting the sale of individual securities for tax planning purposes (also called "tax harvesting"). The client may choose to invest in a customized portfolio diversified across multiple investment disciplines or target an individual or more concentrated investment discipline. Third party managers may delegate the authority to vote securities to another person; to be provided in a timely manner with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holder; and proceed directly as a security holder against the issuer of any security in the client's account and not be obligated to join any person involved in the operation of the program, or any other client of the program, as a condition precedent to initiating such proceeding. At any given time, the client's account may not reflect the exact model portfolio due to market fluctuations or specific client needs or circumstances. The client will be responsible for all tax consequences resulting from any rebalancing or reallocation of the account.

- ***Unified Managed Account***

A Unified Managed Account (UMA) offers a client the ability to employ different investment managers, objectives and/or strategies within a consolidated account. Envestnet serves as the overlay manager to manage separate account positions in a comprehensive asset allocation portfolio of securities in a single account. Most managers available in the SMA and Strategist Programs are available in a UMA account. The UMA also allows for the Advisor to manage a sleeve within a UMA account. The client's Advisor will assist the client in clarifying their investment needs, including, but not limited to, investment objectives, tolerance for risk, and investment time horizon and will provide professional advice to the client for a wrap fee. The Advisor will work with the client in selecting the appropriate third party manager and/or individual securities to be managed by the Advisor in an effort to assist the client in achieving their investment goals. Third party managers and the strategies offered for a particular client's account are selected based on, but not limited to, risk adjusted returns and suitability needs. Selection of the manager(s), strategist(s) and individual securities or model portfolios will be documented in the Statement of Investment Selection (SIS).

Envestnet, through the client's UMA account, will provide investment management of each client's funds on a discretionary basis. Periodically, the third party managers may rebalance or reallocate the securities within their model portfolios, as they deem necessary or appropriate. For UMA accounts, the client's selected third party manager(s) will provide their portfolio allocations to Envestnet.

The client's Advisor will provide investment management in an Advisor-managed sleeve, if one is created, on a discretionary basis. In addition, the Advisor has discretion to change managers or strategies in other sleeves. The Advisor executes the trades through Envestnet or ProEquities; Envestnet and ProEquities generally execute the trades through Pershing as the executing broker-dealer.

Once the client's account reaches the UMA model minimum then the UMA account is invested in the model portfolio selected. For each model portfolio in the UMA Program, the client has the ability to impose reasonable restrictions on the investments of the client's account, such as contributions or withdrawals of securities and/or cash; voting securities, requesting the sale of individual securities for tax planning purposes (also called "tax harvesting"). The client may be allowed flexibility in developing a customized portfolio diversified across multiple investment disciplines or targeting an individual or more concentrated investment disciplines. Third party managers may delegate the authority to vote securities to another person; to be provided in a timely manner with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holder; and proceed directly as a security holder against the issuer of any security in the client's account and not be obligated to join any person involved in the operation of the program, or any other client of the program, as a condition precedent to initiating such proceeding.

- ***Overlay Services***

Clients enrolled in a Unified Managed Account (UMA) may be eligible for Envestnet's Overlay Services:

- Tax Overlay Services seeks to consider tax implications that may lessen the Client's after-tax returns

- Impact Overlay Services allows Clients to integrate Environmental, Social and Governance factors via customizable direct multiple Impact screens intended to align with a comprehensive representation of a client's personal values.

Envestnet's overlay manager, Portfolio Management Consultants (PMC), will provide Tax Overlay Services and/or Impact Overlay Services to a ProEquities UMA account or sleeve. Clients should contact their Advisor for more information and eligibility criteria in Envestnet's Overlay Services. The application of an Overlay Service can cause the investment performance of the customized strategy to deviate from its original intent or suitability and will detract from the client's after-tax returns. ProEquities does not represent in any manner that the tax consequences described will be obtained or that ProEquities' investment strategy will result in any particular tax consequence. ProEquities assumes no responsibility to you for the tax consequences of any transaction, including any capital gains and/or wash sales that may result from the tax-loss harvesting strategy. Expected returns and risk characteristics are no guarantee of actual performance.

- ***Tax Overlay Service***

Tax Overlay Services are designed to help reduce tax exposure with the aim of improving client after-tax returns by coordinating tax management across multiple third-party managers who act as subadvisors within a client's portfolio. Services are discretionary, meaning PMC may, in its sole discretion, make transactions in the account, even though such transactions may generate tax liability. Specifically, tax management is provided through services such as capital gain/loss matching, tax loss harvesting, and short-term gain deferral.

Envestnet's tax overlay service is not intended as tax advice. Client should confer with their personal tax professional regarding the tax consequences of investing with ProEquities and engaging in the tax overlay service, based on their particular circumstances. Client and their personal tax professionals are responsible for how the transactions in the Client's account(s) are reported to the Internal Revenue Service (IRS) or any other taxing authority

- ***Impact Overlay Service***

Impact Overlay Services provide the ability to exclude specific companies or industries from a portfolio and are available to investors interested in excluding or reducing investments in companies in which they have personal convictions while adhering to the manager's models. PMC can apply one or more of 17 impact screens to an account. The client, in consultation with his or her Advisor, can determine the appropriate asset allocation, manager selection, and personal convictions for an account. As Envestnet's Overlay Portfolio Manager, PMC considers balancing the investment decisions of individual managers with specific client-customization requests while adhering to the overall risk profile of an account.

- ***Fees***

Accounts with enabled Overlay Services will incur an additional fee as described in the schedule below. The fee schedule below applies to a whole account annually, and it applies when Tax Overlay Services, Impact Overlay Services, or both are provided to an account. Client's Advisor generally establishes account fees for their program and in some cases may negotiate fees with Clients. Lower or comparable services may be available from other sources.

Account Assets	**Overlay Service Fee**
First $10,000,000	10 basis points
Next $15,000,000	8 basis points
Over $25,000,000	5 basis points

- ***Advisory (Fee-Based) Annuities***

Certain fee-based annuities may be linked to an AMP account. All variable annuity sub-account selection and reallocations are processed through the custodian of record for the variable annuity. The Advisor's advice for these products includes an initial selection of sub-accounts and their allocation, ongoing management and recommendation of sub-account reallocation, and/or the selection of a third party manager for the sub-account management. Advisory fees paid by the client may be deducted from a ProEquities brokerage or advisory account.

On January 1, 2018, ProEquities entered into a marking allowance agreement with Jackson National Life Insurance Company ("Jackson"). Jackson pays ProEquities a quarterly 20 basis points marketing fee based on net annuity premiums received including advisory ("fee based") annuities offered to our clients. ProEquities has a conflict of interest to recommend products on which it receives higher compensation. We mitigate this conflict by disclosing it to the client and not sharing this revenue with our Advisors.

- ***Unsupervised Assets***

Clients may request that certain assets be held indefinitely in an investment advisory account. As an accommodation to our clients, we may approve such assets to be transferred from another custodian to be held on an unsupervised basis, which means we do not assume fiduciary or investment advisory responsibilities for these assets. We do not calculate performance nor collect any advisory or management fees on these unsupervised assets. It is the sole responsibility of the client to decide whether or not unsupervised assets should continue to be held and if or when these assets should be sold. Neither ProEquities nor its Advisors conduct reviews or provide investment advice on unsupervised assets.

- ***Sweep Vehicles in AMP***

Generally, some portion of the client's account will be held in cash, and the cash balance is included in the Wrap Fee calculation. Holding large amounts of cash in a Managed Account for extended periods of time, may not be appropriate and it will likely cost a client less to hold cash in a brokerage account. Cash balances held in the AMP Platform account that are pending investment as well as any strategic balances allocated to cash within an account are invested in the sweep vehicle option offered by Pershing. Sweep vehicle options include money market mutual fund sweep options and bank sweep options. ProEquities offers three sweep vehicles, Liquid Insured Deposits Program, Dreyfus Government Money Market (DGMM) Program, and Dreyfus Government Cash Management, which are available through Pershing for different types of clients. Generally, non-ERISA retail brokerage and non-ERISA AMP advisory retail accounts that participate in ProEquities' Sweep Programs will participate in the Liquid Insured Deposits Program (described below). ERISA retail brokerage and advisory retail accounts that participate in ProEquities' Sweep Programs will participate in the money market cash sweep (DGMM). Institutional brokerage and AMP advisory accounts that participate in ProEquities' Sweep Programs will participate in the Dreyfus Government Cash Management Program (DGVXX). In addition to the different account eligibility requirements for these three Programs, there are also differences with respect to their structure, fees and other items, which are more fully described in this brochure. Neither ProEquities nor our Advisors receive any compensation in connection with cash in ERISA retail accounts that are swept into any money market fund that ProEquities designates for ERISA retail accounts.

- ***Liquid Insured Deposits Program***

The cash balance in an eligible ProEquities non-ERISA retail brokerage and non-ERISA AMP advisory retail accounts will be deposited automatically or "swept" into interest-bearing FDIC-insurance eligible Program deposit accounts ("Deposit Accounts") at one or more FDIC-insured financial institutions (each a "Program Bank" or collectively, "Program Banks"). ProEquities offers the Liquid Insured Deposits Program at Pershing as a sweep option and is intended for investment of available cash balances into money market accounts at participating banks. Pershing has appointed Reich & Tang Deposit Solutions, LLC ("R&T") to provide certain services with respect to the operation of the Liquid Insured Deposits Program. There is no minimum amount required as an initial deposit or for subsequent deposits. Deposits made through a FDIC-Insured Program are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per legal category of account ownership at each participating Program Bank when aggregated with all other deposits held by the client in the same Program Bank and in the same legal category of account ownership. Client's deposits, plus interest earned thereon, are allocated among any number of Program Bank account(s) in a manner designed to currently provide the client up to $2.5 million in FDIC coverage for each category of legal ownership, subject to certain restrictions, as further described by the Liquid Insured Deposits Terms and Conditions provided to the client by Pershing at account opening.

The FDIC protects a client against the loss of the Liquid Insured Deposits in the event a Program Bank fails. The Program Bank List specifies the Program Banks into which clients' funds will be deposited and is available at https://www.pershing.com/ global-assets/pdf/liquid-insured-bank-list.pdf. Any securities held in clients' accounts, including money market mutual funds (as opposed to a Liquid Insured Deposits Program) are investment products and, as such, (i) are not insured by the FDIC; (ii) carry no bank guarantees; and (iii) are subject to investment risk, including loss of principal amount invested. Funds deposited through the FDIC-Insured Program are not eligible for SIPC protection. For additional information concerning SIPC coverage, please visit www.sipc.org.

The Liquid Insured Program provides financial benefits for ProEquities, Pershing and R&T. For their services in connection with maintaining and administering the Liquid Insured Deposits Program, ProEquities, Pershing and R&T earn fees based on the amount of money in the Liquid Insured Deposits Program. Each Program Bank pays Pershing and R&T fees for services related to the Liquid Insured Deposits equal to a percentage of the average daily deposit balance in the Deposit Balances at the Bank. The amount of fees received by Pershing and R&T will directly affect the interest rate paid by the Program Bank on a client's Deposit Account. ProEquities receives 30 basis points in distribution assistance from Pershing on average balances for Liquid Insured Deposits Product. ProEquities Advisors do not receive any fees received by ProEquities in connection with the Liquid Insured Deposits Program. This is a conflict of interest for us because that income is expected to exceed the income we would receive if the assets were held in a money market fund. It is expected that these fees will be covered by income generated by the cash balances in the Program, with the remaining economics flowing to the client.

The amount of paid interest and the annual percentage yield earned ("APYE") applicable to a client's Liquid Insured Deposits will be stated on the client's account statement. The current interest rate payable on the Liquid Insured Deposits Program is provided to Pershing on a daily basis by R&T and can be viewed by visiting https://www.pershing.com/rates or by contacting his or her Advisor. The interest rate paid to the client is determined pursuant to agreements with the Program Banks and is subject to change at any time. The interest rate on the Deposit Accounts is determined by the amount that Banks are willing to pay on the Deposit Accounts less the fees paid to Pershing and R&T as set forth by the Liquid Insured Deposits Terms and Conditions. The interest rate may fluctuate daily. Interest will be compounded daily and posted monthly to the Program Bank account. Interest will accrue on deposits from the day they are received in investible form by the Program Bank through the business day preceding the date of withdrawal from the Program Bank. The "daily balance method" is used to calculate interest. This method applies a daily periodic interest rate to the principal in the account for the period. The daily rate is 1/365 (or 1/366 in a leap year) of the applicable annual rate. The interest rate a client earns on their Liquid Insured Deposits may be higher or lower than the rates available to depositors making non-Program deposits with Program Banks directly, through other types of accounts at Pershing, or with other depository institutions in comparable accounts. Any fees imposed under the Liquid Insured Deposits Program could reduce earnings on the Liquid Insured Deposits. A client should compare the terms, rates of return, required minimum amounts, charges and other features of a Liquid Insured Deposit with other accounts and investment alternatives.

The revenue generated by ProEquities varies compared to revenues generated by sweep options at other brokerage firms or possible core account investment vehicles that we have used in the past or may consider using in the future. ProEquities may receive more revenue with respect to amounts in the Liquid Insured Program than with respect to other sweep products and ProEquities may earn a higher fee if clients participate in the Liquid Insured Deposits Program than if they invest in other money market products, such as money market mutual funds.

- ***Dreyfus Government Money Market Program***

Retail client cash balances in ERISA plan accounts will automatically be invested in the Dreyfus Government Money Market (DGMM) Program. DGMM fund assets are invested in the Dreyfus Government Cash Management Fund (DGVXX). The DGMM Program does not pay any remuneration to ProEquities nor does ProEquities receive any 12b-1 fees from Pershing in connection with the sale of DGVXX fund for our Pershing advisory and brokerage retail accounts. Clients should note funds offered through other custodians or carriers have money market fund options without 12b-1 fees and/or with higher or lower yields.

- ***Dreyfus Government Cash Management Program***

Institutional client cash balances in accounts will automatically be invested in the Dreyfus Government Cash Management (DGVXX) Program. DGVXX is a "government money market fund" as that term is defined in Rule 2a-7, and pursues its investment objective by investing at least 99.5% in government securities (i.e. securities issued or guaranteed as to principal and interest by the US government or its agencies or instrumentalities, including those with floating or variable rates of interest), repurchase agreements collateralized solely by government securities and/or cash, and cash. The fund is subject to the maturity, quality, liquidity, and diversification requirement of Rule 2a-7 under the Investment Company Act of 1940, as amended, and seeks to maintain a stable share price of $1.00. The fund normally invests at least 80% of its net assets in government securities and repurchase agreements collateralized solely by government securities (i.e. under normal circumstances, the fund will not invest more than 20% of its net assets in cash and/or repurchase agreements collateralized by cash). The securities in which the fund invests include those backed by the full faith and credit of the US government, which include US Treasury securities as securities issued by certain agencies of the US government, and those that are neither insured nor guaranteed by the US government.

- ***Performance Evaluation and Monitoring Services***

ProEquities makes available quarterly performance reports to its clients participating in the advisory fee programs offered through the ProEquities AMP platform. These reports are intended to inform clients as to how their investments have performed during the selected period. The client will also receive account statements from Pershing at least quarterly, detailing all of the activity in the client's account, including the amount of advisory fees charged during the billing period.

Information contained in the performance report is believed to be accurate; however, the accuracy and completeness of the information is not guaranteed; and is not intended to replace the account statements clients receive from Pershing. The statements clients receive from Pershing should be considered the official record for all pertinent account information. The performance report is provided in a different format from that of the Pershing account statement and will vary in content and scope. Clients should carefully compare the asset information contained in the performance report to the asset information provided in the Pershing account statement. Any discrepancies noted should be reported immediately to the client's Advisor or ProEquities' home office at 800-288-3035. Clients should also notify ProEquities promptly if they do not receive the account statements from Pershing on at least a quarterly basis. Calculations and data provided on the performance reports should not be relied upon for tax purposes, but rather clients should instead use the original transaction confirmations and Form 1099s provided by Pershing.

- ***Independent Advisor Firms***

Certain representatives of ProEquities have their own registered investment advisory businesses. These independent investment advisor firms are separate business entities and are not under common control or ownership with ProEquities or any of our affiliates. Advisory services and recommendations provided under agreement with an independent investment advisor are solely the responsibility of that advisor, not ProEquities. The independent investment advisor firms market these services under a different marketing name and/or as an outside business activity. However, independent advisor firms can use some of ProEquities' programs and services if they include proper disclosure of such in the independent advisor firm's Form ADV.

- ***Advisory Fees***

Compensation earned by the firm for the provision of investment advisory services to our clients is generally comprised of management fees based on a percentage of assets under management during the investment period. Fees and compensation are described within the SIS for each client.

Clients participating in the AMP programs may pay more or less than clients pay if purchasing the services separately. Although the advisory fees are standard fees, they may be negotiable and may vary according to a variety of factors that determine whether such costs would be more or less, including but not limited to: size and type of account, complexity of the client's objectives or financial situation, securities and strategies involved, managers selected, and amount of trading effected through the third party managers.

For the AMP investment advisory services provided by ProEquities and the Advisor, accounts are charged a single management fee. ProEquities and its Advisor receive a portion of the investment advisory fee a client pays when participating in any managed account program through ProEquities. In addition, for SMA, Strategist, and UMA program accounts a manager fee is paid from the overall account to the third party managers; however the third party manager fee may not be applicable if no manager has been selected within the UMA program. ProEquities receives a higher portion of the advisory fee when a client selects a ProEquities Strategist program to compensate for ProEquities investment management and research services provided by the Advisory Investments Team.

The total account fee for third party asset managers includes the following:

- SubAdviser fee
- ProEquities' platform fee, of which a portion is paid to our clearing firm, and a portion is paid to our technology provider for administrative, advisory, clearing, custody, and trading fees.

Clients should refer to the respective third party asset manager's Form ADV Part 2A or Disclosure Brochure for further information regarding the sub-advisory services and fees.

The Platform fee is paid to ProEquities as the sponsor of AMP programs. The Advisor fee is intended to cover the financial advice offered by ProEquities, through the client's selected Advisor. Fees, fee structure, and experience may vary by Advisor. Therefore, two Advisors may provide similar services with different fee schedules, resulting in their clients paying higher or lower fees. The fee schedules below are intended to be used for determining the fees to be charged to a particular client's account, but these fees may be discounted. A portion of the advisory fee paid to the client's selected Advisor is based on a pre-established payout rate between ProEquities and the Advisor (or representative of an unaffiliated registered investment adviser where applicable); and the remainder is retained by ProEquities as revenue. Where applicable, a portion of the advisory fee may be paid to independent investment advisers as part of their agreement with ProEquities to offer this program to their clients; and the remainder is retained by ProEquities as revenue.

The platform fee will be calculated on a blended basis, based on the amount of assets in the client's account and/or the client's householded total asset level, in accordance with the applicable Program's fee schedule below. The Platform fee commences when the assets are invested by a third party manager or when the Advisor initiates billing. Clients should consult their Advisor if there are any questions regarding the calculation of the fee.

The fee schedules associated with each of the advisory fee programs offered through the ProEquities AMP platform are described below.

- ***Capital Asset Management Program-(not available for new accounts)***

CAM Fee Schedule					
				Maximum Advisor Fee	**Platform Fee**
$	0.01	$	25,000.00	2.00%	0.25%
$	25,000.01	$	49,999.99	2.00%	0.23%
$	50,000.00	$	99,999.99	2.00%	0.20%
$	100,000.00	$	249,999.99	2.00%	0.18%
$	250,000.00	$	499,999.99	1.75%	0.13%
$	500,000.00	$	749,999.99	1.50%	0.10%
$	750,000.00	$	999,999.99	1.25%	0.09%
$	1,000,000.00	$	1,499,999.99	1.00%	0.05%
$	1,500,000.00	$	1,999,999.99	1.00%	0.05%
$	2,000,000.00		and over	1.00%	0.04%

- ***CAM Ticket Charges***

In addition to the fee schedule above, CAM accounts may also be charged ticket charges. Some Advisors cover the cost of ticket charges related to client trades themselves, while other Advisors negotiate to pass along that expense to the client. The general ticket charge schedule is as follows:

TRANSACTION		**Electronic Trades Via AMP**	**Phone Trades**
No Load Mutual Funds	Purchases & Redemptions	$18.00	$28.00
	Exchanges (including SRS)	$7.50	$17.50
Equities & Options	Listed Equities	$16.00	$26.00
	OTC Equities	$16.00	$26.00
	Options	$16.00	$26.00
Individual Fixed Income	Corporate & Municipal Bonds	$18.00	$18.00
	Treasury & Government Agency Bonds	$18.00	$18.00
	Money Market Investments	$12.00	$12.00
	Mortgage Backed when Issued	$10.00	$10.00
	Unit Investment Trusts	$33.00	$33.00
	Dollar Cost Averaging & Systematics using SRS System	$2.50	$2.50

Pershing Trade Execution Charges		
Options	Equity & Index	$1/Contract
	Debt & Currency	$2.40/Contract

The minimum investment amount required for the CAM advisory fee program offered through ProEquities is $25,000. Due to the differences in ticket charges in the CAM program vs. other programs, the clients may have expenses that are lower or higher than other AMP programs.

- ***PreTradePlus and ProTradePlus Programs***

PreTradePlus and ProTradePlus Fee Schedule					
				Maximum Advisor Fee	**Platform Fee**
$	0.01	$	99,999.99	2.00%	0.20%
$	100,000.00	$	249,999.99	2.00%	0.17%
$	250,000.00	$	499,999.99	2.00%	0.16%
$	500,000.00	$	999,999.99	1.75%	0.12%
$	1,000,000.00	$	2,999,999.99	1.50%	0.08%
$	3,000,000.00	$	4,999,999.99	1.50%	0.06%
$	5,000,000.00		and over	1.00%	0.05%

*A minimum annual fee of $20 may be charged by Envestnet for accounts that fall below $31,000.00. An additional minimum annual firm fee of $30 will be applied if a threshold of $21,500 is not met.

- ***PreTradePlus and ProTradePlus Ticket Charges***

In addition to the fee schedule above, PreTradePlus and ProTradePlus accounts may also be charged ticket charges. The general ticket charge schedule is as follows:

TRANSACTION		Electronic Trades Via AMP	Phone Trades
No Load Mutual Funds	Purchases & Redemptions	$12.00	$22.00
	Exchanges (including SRS)	$12.00	$22.00
Equities & Options	Listed Equities	$12.00	$22.00
	OTC Equities	$12.00	$22.00
	Options	$12.00	$22.00
Individual Fixed Income	Corporate & Municipal Bonds	$12.00	$22.00
	Treasury & Government Agency Bonds	$12.00	$22.00
	Money Market Investments	$12.00	$22.00
	Mortgage Backed when Issued	$12.00	$22.00
	Unit Investment Trusts	$12.00	$22.00
	Dollar Cost Averaging & Systematics using SRS System	$2.50	$2.50

Pershing Trade Execution Charges		
Options	Equity & Index	$1/Contract
	Debt & Currency	$2.40/Contract

The above schedule is subject to change without prior notice. Clients should consult their Advisor for a current ticket charge schedule. Ticket charges may be a factor that the Advisor considers when deciding which securities to select, how frequently to place transactions and whether or not to place transactions in the account. The more trades placed in an account, the more ticket charges paid by the client. To mitigate the risk of program selection based solely on ticket charges, we provide training to the Advisor that includes elements such as size of the account, anticipated trading volume and costs. We also require Advisors to conduct an annual review of their clients' accounts to determine if, based on these factors, this program is still the most appropriate.

- ***PreTrade and ProTrade Programs***

PreTrade and ProTrade Fee Schedule					
				Maximum Advisor Fee	**Platform Fee**
$	0.01	$	99,999.99	2.00%	0.28%
$	100,000.00	$	249,999.99	2.00%	0.25%
$	250,000.00	$	499,999.99	2.00%	0.21%
$	500,000.00	$	999,999.99	1.75%	0.16%
$	1,000,000.00	$	2,999,999.99	1.50%	0.10%
$	3,000,000.00	$	4,999,999.99	1.50%	0.08%
$	5,000,000.00		and over	1.00%	0.07%

The minimum initial investment in a PreTrade or ProTrade account is $25,000. A minimum annual fee of $20 may be charged by Envestnet for accounts that fall below $31,000. An additional minimum annual firm fee of $30 will be applied if threshold of $21,500 is not met.

Clients do not pay a transaction charge for transactions in PreTrade and ProTrade accounts; transaction charges (which vary based on the product traded) are covered by the Platform fee. This presents a conflict of interest for ProEquities in that ProEquities has an economic incentive to promote the PreTrade and ProTrade Program for accounts in which trading will be or has been infrequent. We mitigate this conflict by disclosing it, and by not promoting, encouraging or offering incentives to our Advisors for selecting one Program over another Program.

- ***Advisor's Choice Strategist Program, Advisor's Choice SMA and ProEquities Unified Managed Account***

The minimum initial investment in an Advisor's Choice Strategist or Advisor's Choice SMA account is as low as $5,000, or $50,000, respectively, depending on the manager selected. The minimum initial investment in a Unified Managed Account is $50,000.

Advisors Choice Strategist/SMA/UMA Fee Schedule						
				Maximum Advisor Fee	**Manager Fee****	**Platform Fee**
$	0.01	$	99,999.99	1.50%	Up to 1.00%	0.31%
$	100,000.00	$	249,999.99	1.50%	Up to 1.00%	0.29%
$	250,000.00	$	499,999.99	1.50%	Up to 1.00%	0.27%
$	500,000.00	$	999,999.99	1.50%	Up to 1.00%	0.21%
$	1,000,000.00	$	2,999,999.99	1.50%	Up to 1.00%	0.15%
$	3,000,000.00	$	4,999,999.99	1.50%	Up to 1.00%	0.12%
$	5,000,000.00		and over	1.00%	Up to 1.00%	0.11%

* A minimum annual fee of $50 may be charged by Envestnet for accounts that fall below $56,000 for SMA and UMA accounts and $22,500 for Strategist accounts. Furthermore, an additional minimum annual platform fee of $20 will be applied to Advisor's Choice

Strategist accounts if threshold is not met. Minimum annual platform fee of $50 will be applied to Advisor's Choice SMA and UMA accounts if threshold is not met.

** If applicable, as a client is not required to select a Manager to open or maintain a Unified Managed Account.

- ***Fee-Based Annuities***

Fee-Based Annuity Fee Schedule			
		Advisor Fee (max.)	Platform Fee
$ 0.01	$ 99,999.99	0.85%	0.190%
$ 100,000.00	$ 249,999.99	0.85%	0.170%
$ 250,000.00	$ 499,999.99	0.85%	0.165%
$ 500,000.00	$ 999,999.99	0.85%	0.130%
$ 1,000,000.00	$ 2,999,999.99	0.85%	0.090%
$ 3,000,000.00	$ 4,999,999.99	0.85%	0.070%
$ 5,000,000.00	and over	0.85%	0.060%

A minimum annual fee of $30 applies to an account established for a fee-based annuity. The minimum initial investment in a fee-based annuity varies by insurance company and product, therefore, the client should carefully read the prospectus to determine if their intended investment amount, and any intended additional deposits will meet the insurance company's stated investment minimums. ProEquities requires a minimum $100,000 investment in a fee-based annuity on AMP, although exceptions may be made in certain circumstances.

As of November 2018, we reduced our Platform fee applicable to variable annuities, which covers billing and performance reporting, for all annuities. As fee-based annuities offer lower mortality and expense fees and shorter surrender periods than their commission-based counterpart products, ProEquities believes the cost of the fee-based annuity will generally be less or the same as its counterpart commissionable product. The custodial services, management fees and transaction execution services for annuities, which are not covered by ProEquities' wrap fee, are provided by the respective insurance company. The clients are urged to review the statements provided by the insurance company.

The variable annuity is custodied at the insurance company and the transactions are executed at the insurance company.

For each advisory program listed above, the Advisor fee is negotiable and may vary according to a variety of factors, such as size and type of account and complexity of the client's objectives or financial situation. A client may qualify for a lower fee schedule based on the total value of assets maintained by the client, and related accounts the client elects to household. In order to qualify for such lower fees, the client must notify their Advisor of any other AMP accounts they wish to aggregate. Upon notice from the client, ProEquities will aggregate the value of the household accounts in order to determine the applicable fee. The assets of the household accounts are not commingled and the clients retain individual account ownership rights and responsibilities.

Fees incurred by the account will be paid first from the cash balance, or, if the cash balance is insufficient to cover the fees, then by selling shares of securities. Selling securities to pay fees may incur transaction costs and create tax consequences for a client. A client may contact their Advisor for any questions regarding the fees charged to their account.

The Program fee is only assessed on the billable assets held in the advisory account. The fees will be calculated as follows:

CAM, PreTrade, PreTradePlus, ProTrade, ProTradePlus, Advisor's Choice SMA and Strategists, and ProEquities Unified Managed Account Fee Calculation

The fee is calculated monthly at the beginning of each month based on the value of account assets under management as of the close of business on the last day of the preceding month and takes into account any inflows or outflows of $1,000 or more. The assets are valued by Pershing, based on Pershing's books and records. Management fees are deducted in advance with the exception of the initial fee. The initial fee is billed in arrears, prorated based on the number of days that management services were provided during the first month. This initial fee is billed at the same time the first full month's fee is billed in advance.

- ***Fee-Based Annuity Account Fee Calculation***

The advisory fee is calculated monthly at the beginning of the month based on the most recent valuation information provided to ProEquities by the respective insurance company at or before the prior month end, and takes into account any inflows or outflows of $1,000 or more that are reported to ProEquities by the time ProEquities conducts the valuation. We might not receive daily or weekly account valuation information for variable annuities from the insurance companies or their custodians even though insurance companies typically provide valuation information to ProEquities on a weekly basis. A client can pay more or less in management fees when the pricing is based on a weekly valuation compared to management fees when the pricing is based on the daily valuation as the value of the weekly feed may not reflect the contract's actual market value at the end of the prior month.

Management fees are deducted in advance with the exception of the initial fee. The initial fee is billed in arrears, prorated based on the number of days that management services were provided during the first month. This initial fee is billed at the same time the first full month's fee is billed in advance. If advisory fees for a fee-based annuity are deducted directly from the annuity, there may be tax consequences and surrender charges, as well as negative impacts to any benefit riders the client has elected. Therefore, it is ProEquities' practice to link fee-based annuities to another ProEquities' Pershing account for billing purposes; advisory fees and the $30 annual fee are deducted from the linked ProEquities' Pershing account and not deducted directly from the fee-based annuity.

Fee-based annuities and their counterpart commissionable annuities offer different product level cost structures which may result in a different total cost to the client. For example, mortality & expense (M&E) fees are generally charged on commissionable annuities, and are generally waived for fee-based annuities; the advisory fee charged for a fee-based annuity linked to a ProEquities AMP account is determined by the fee table shown above; advisory fees are not charged on a commissionable annuity. Each sub-account option offered by a variable annuity, whether fee-based or commissionable, charges management fees for the management of these investments. These sub-account management fees currently range from 0.26% to 2.35%. ProEquities believes the cost of the fee-based annuity will generally be similar as its counterpart commissionable product.

If the client terminates their account for any reason during any billing period, the client's account will be refunded the pre-paid advisory fees on a pro-rata basis from the date of termination to the end of the billing period, with the refund being credited to the account the following month. If the client transfers their account to another firm, the client may pay an outgoing account transfer fee, which may consist of ProEquities' clearing firm costs as well as additional charges that ProEquities assesses for processing outgoing transfer requests, and separate charges for each transaction including but not limited to contingent deferred sales charges (CDSC) imposed by mutual fund companies and variable annuities on liquidations of account positions

Under the advisory fee programs offered through the ProEquities AMP℠ platform, the client will pay a fee, based on the amount of assets under management, for investment advice. This fee also covers most transaction related charges associated with executing transactions for the client except for incidental charges including but not limited to, the following: annual check writing and debit card fees on Corestone accounts; wire fees; check stop payment fees; returned check fees; ACH return fees; security transfer and redemption fees; transaction fees assessed by regulatory agencies or exchanges; transaction processing fees assessed by ProEquities' clearing firm; reorganization processing fees; trade confirmation fees; outgoing account transfer fees; margin extension fees; margin debit interest; non-purpose loan interest, IRA annual maintenance and IRA termination fees; amounts charged to produce year-end statements and account reports; paper surcharge fees; foreign security transaction fees; initial document review and ongoing annual service fees for special products, including but not limited to limited partnerships; mail courier fees; and bank charges and/or other transactions charges related to processing. These charges are assessed against the customer's account and may consist of both charges that ProEquities pays to third parties such as clearing firm charges as well as additional charges for ProEquities' processing and transaction services. A schedule of these charges may be obtained by contacting either the client's Advisor or ProEquities' home office at 800-288-3035.

A margin transaction occurs when a client uses borrowed assets to purchase financial instruments or make additional investments. A client may generally use other securities they own in an account as collateral to obtain the sum needed for the borrowed assets. Because of the effect of borrowing, the client magnifies any gains or losses from the security purchased on margin. To the extent margin is available in the AMP platform, such accounts must meet certain risk tolerance requirements. When margin is used to buy additional securities, the asset based fees increase as the total value of eligible program assets increases. In addition, margin interest is charged on debit balances. This increase in the asset-based fee can provide an incentive for an Advisor to recommend the use of margin. ProEquities does not extend credit to customers in connection with the purchase of securities, unless pursuant to a margin agreement with Pershing. If a client creates a debit balance in a cash account by failing to make payment in full for securities purchased by the settlement date, by failing to timely deliver securities sold, from proceeds of sales paid prior to settlement date or for other charges which can be incurred in an account, ProEquities reserves the right to charge interest on such debits until satisfied. Cash accounts with debit balances can be subject to interest rates above the Pershing Base Lending Rate (PBLR). For cash accounts carried by Pershing, the interest on debit balances is computed using the debit average daily balance of the account and the applicable interest rate in effect to determine the amount of interest charged per day. This amount is then multiplied by the number of days a daily debit balance was maintained during the interest period. Interest charged during the interest period is the total of such daily computations. The rate of interest charged to an account can be changed without notice in accordance with changes in the PBLR and the account's average debit balance. The current maximum margin rate is 2.75% percentage points above PBLR and is subject to change. The monthly or quarterly statement shows the dollar amount of interest charged and the interest rate factored.

If a client chooses to authorize ProEquities to use margin on his or her discretionary account, our fees could increase as the market value of client's investment portfolio also increases. ProEquities offer to provide margin as a strategy may create a conflict of interest since ProEquities stands to receive an increased fee should a client choose to employ this strategy.

- ***Comparison of Cost of Service***

The services associated with the advisory fee programs offered through the ProEquities' AMP platform may cost clients more or less than purchasing such services separately, depending on the type and size of the account, historical and expected size of the accounts, types of securities and strategies involved, frequency of trading in the client's accounts, commissions charged at ProEquities or other broker-dealers for similar products, fees charged for like services by other broker-dealers and other factors. A client may be able to obtain similar services for a lower fee from other advisors not affiliated with our firm. The investment advisory fee is based on the total amount of assets in the client's account and is independent of the level of trading activity. By agreeing to pay a fee based on investment advisory services provided rather than transactions, the client should understand that the fee may be higher than the cost of a commission-based alternative account or arrangement during periods of lower trading activity.

Purchasing securities in the AMP Platform may cost clients more or less than purchasing these securities outside the AMP platform, including purchasing the securities directly from the fund companies, through agents of the funds, or through a brokerage account at ProEquities. By purchasing mutual funds outside of the AMP platform, a client may invest in a single fund family and obtain "breakpoints" that could lower the cost of the funds. However, if a client purchases mutual fund shares directly, the client may not receive the asset allocation and account monitoring services available via the AMP platform and may not qualify to invest in share classes available to investors through the AMP platform. In addition, mutual funds purchased outside the AMP platform may charge commissions, front-end or back-end sales charges, and redemption fees, depending on the share class. A client could invest in mutual funds and other investment products directly, without the services of ProEquities or an Advisor. In that case, the client would not receive the services provided by ProEquities or the Advisor, which are designed, among other things, to assist the client in determining which mutual funds or other investments are most appropriate given each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the mutual funds and other investment products and the fees charged and services provided by ProEquities and the Advisor to understand the total amount of fees to be paid by the client and thereby evaluate the services being provided.

- ***Other Costs-Client Fees and Expenses***

In addition to the program fees and transaction charges noted previously, based upon the investments selected, clients may incur certain charges imposed by third parties in connection with the investments made through Program accounts. These include, but are not limited to, the following: mutual fund or money market 12b-1 and sub-transfer agency fees, mutual fund networking fees, mutual fund or money market management fees and administrative expenses, certain deferred sales charges on previously purchased mutual fund shares transferred into a Program account, other transaction charges and service fees, and other charges permitted or required by law. In some instances, ProEquities receives a portion of these fees and, as such, ProEquities has a conflict of interest as it is incented to recommend a product or strategy that provides ProEquities higher compensation. We mitigate this conflict by disclosing it, crediting any 12b-1 fees ProEquities receives to the client account from which it was generated, not sharing any of these revenues with the Advisor that recommends transactions or strategies, and by requiring there be a review of accounts at account-opening and periodically to ensure it is suitable in light of matters such as investment objectives and financial circumstances. Further information regarding costs and fees charged by a mutual fund, ETF, variable annuity or similar investment vehicle is available in the applicable prospectus.

ProEquities, through its clearing relationship with Pershing, receives certain revenue related to assets held, transactions, and activity in the Program accounts. Such revenue includes a portion of any ticket charge assessed to a client or ProEquities Advisor, and asset-based revenue from mutual funds designated by the custodian as non-transaction fee mutual funds, revenue from cash balances held in certain money market mutual funds or other liquid investment products designated as "cash sweep" vehicles, a portion of the networking fees the custodian receives from the mutual fund company, and other revenue from mutual funds pursuant to Rule 12b-1 under the Investment Company Act of 1940. ProEquities, Pershing and Pershing's respective affiliates may share in these fees. The availability of these fees presents a conflict of interest for ProEquities due to the potential to receive higher compensation for some products and strategies, and due to the potential to receive higher compensation based on the custodian selected. ProEquities mitigates this conflict by disclosing it and not sharing the revenue with its Advisors. The transaction costs and advisory program cost structure is determined by the custodian and ProEquities, respectively, and is determined based on factors such as availability of cost sharing, distribution fees, shareholder servicing fees or other compensation associated with offering a particular class of shares. ProEquities, as the broker-dealer on such Program accounts, also has a duty to ensure such transaction charges are reasonable in light of its best execution responsibilities.

Mutual funds generally offer multiple share classes, some of which do not result in 12b-1 fees. In other instances, a mutual fund may offer only classes that pay 12b-1 fees, but another similar mutual fund may be available that offers share classes that do not pay 12b-1 fees. Fees are paid out of fund assets, and thus they increase the expenses a client pays as a fund shareholder. Clients do not pay these fees directly; they are deducted from total assets in the fund and reduce a client's investment returns. Some non-transaction fee (NTF) share classes charge a 12b-1 fee to shareholders; however, a portion of that fee is paid to the fund's distributor or custodian. ProEquities receives a portion of NTF 12b-1 fees or 100% of transaction fund 12b-1 fees from our clearing and custodian firm for certain mutual fund share classes that a client owns through their ProEquities fee-based investment advisory account. ProEquities receipt of 12b-1 compensation defrays the cost we would otherwise incur in distributing and making these products available, but also creates a conflict of interest given the financial incentive to receive such amounts from the mutual fund companies through the clearing and custodian firms. ProEquities mitigates this conflict by disclosing it and crediting any 12b-1 fees ProEquities receives to the client account from which it was generated. The refunded amounts are identified on Pershing statements as a line item transaction labeled "12b-1 Fee Credit". The receipt of any 12b-1 revenue by ProEquities in our fee-based programs is not paid to or shared with the Advisor.

If ProEquities finds the refunding of 12b-1 fees in advisory accounts does not equate in cost to the lower expense share class available for that same fund, or a reasonable differential from the lowest expense share class, ProEquities will, as permitted by the fund company and without client consent, convert existing mutual fund share classes to the lower eligible mutual fund share class for that fund available in our Programs. Share class conversions will occur as deemed necessary by ProEquities and will be reflected on account statements.

Certain mutual funds do not have an omnibus relationship with Pershing. Pershing assesses ProEquities a $10 surcharge fee for transactions in these funds. In PreTrade, ProTrade, UMA, Strategist and SMA accounts the fee is covered by ProEquities and is not charged to the client. This creates a conflict of interest to ProEquities in that we have an economic incentive to offer funds for which we are not assessed this fee. We mitigate this conflict by disclosing it to the client and by not sharing our costs with the Advisor. In CAM, PreTradePlus and ProTradePlus accounts, the Advisor has an incentive to trade less frequently in these funds; ProEquities mitigates this conflict by disclosing it to the client and requiring the Advisor document the account reviews they conduct with clients, and other ongoing advice that may result in transactions in a specific client account. The list of mutual funds subject to the surcharge is updated by Pershing and is subject to change at any time. Clients wishing to obtain the current list may request it from their Advisor or call ProEquities at 800-288-3035.

Mutual funds offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the commonly offered retail share classes (typically, Class A (including load-waived A shares), B and C shares), some mutual funds offer institutional share classes or other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have lower expense ratios than other share classes. However, these share classes may also have higher transaction costs and may have minimum purchase criteria that limit availability to larger transactions and may be subject to short term redemption fees. Clients should not assume that their assets will be invested in the share class with the lowest possible expense ratio. Please contact a ProEquities Advisor for more information about share class eligibility and review the applicable mutual fund prospectus for further information related to the fund's expenses.

- ***Short Term Redemption Fees***

Some mutual funds impose a short- term redemption fee upon liquidation of a mutual fund position if that position was not held for a sufficient amount of time (as described in the mutual fund's prospectus) in order to discourage short-term trading or for other reasons. These fees typically range from 1%-2% of the original amount invested unless they have been waived for investment advisory accounts. For short term redemption fees imposed by the mutual fund, the relevant fund company retains these redemption charges from the proceeds of the redemption for the benefit of the remaining shareholders of the fund. The amount of such fees and charges retained will be reflected on account trade confirmations and statements. Neither ProEquities, nor the Advisor, nor the custodian determines or receives any portion of the short-term redemption fee imposed by a mutual fund.

- ***No-Transaction Fee Funds in AMP accounts***

For AMP program accounts, ProEquities will make available funds that participate in our custodian's (Pershing LLC) designated no-transaction fee ("NTF") program through FundVest and FundVest ETF, as well as, transaction fee funds. FundVest is Pershing's no-transaction-fee (NTF) mutual fund platform consisting of no-load funds for retail investors and load-waived A-shares at net asset value (NAV) for fee based share class mutual funds, institutional and advisory shares. FundVest ETF is a Pershing no-transaction-fee ETF platform. At times, NTF funds independently may elect to cease participation in the Pershing's NTF fund program. When that occurs, a client will in most cases be charged a transaction fee by Pershing in connection with the liquidation of that particular mutual fund. A transaction fee fund will incur an additional fee for each buy and sell transaction ("ticket charge"), in addition to the underlying fund's internal expenses.

NTF funds are purchased or sold within an investment advisory account with no extra ticket charge to the client. Although NTF funds do not assess transaction charges, most NTF funds have higher internal expenses than funds that do not participate in an NTF program. These higher internal fund expenses are assessed to investors who purchase or hold NTF funds, regardless of the level of trading. NTF funds held within a portfolio with low trading frequency will cost more, or cost ProEquities or an Advisor less, than mutual funds that assess transaction charges but have lower internal expenses. In addition, the higher internal expenses charged to clients who hold NTF funds will adversely affect the long-term performance of a client's account when compared to share classes of the same fund that assess lower internal expenses. In addition to reading this Brochure carefully, clients are urged to inquire whether lower-cost share classes are available and/or appropriate for their account in consideration of the client's expected investment holding period, amounts invested, and anticipated trading frequency. There are restrictions on the purchase of NTF funds and transaction funds within the various AMP platforms, as described more fully in the section below.

Participating fund sponsors pay a fee to Pershing to participate in the NTF program, and a portion of this fee is shared with ProEquities. None of these additional payments are paid to any Advisors who sell NTF funds. ProEquities' receipt of a portion of the fees associated with the NTF program creates a conflict of interest because ProEquities has an incentive to make available or to recommend those products, or make investment decisions regarding investments, that provide this additional compensation to ProEquities over those mutual fund sponsors that do not make such payments to Pershing to share with ProEquities.

In addition, Pershing requires mutual fund shares that participate in the FundVest program to be held in a client's account for 30 days or a $52 short-term redemption fee will apply. FundVest mutual funds require a minimum initial investment of $2,500 for a non-IRA account and $500 for an IRA account; subsequent investments for either a non-IRA or IRA account are $500. Pershing's short term redemption fee is applicable to CAM, PreTradePlus and ProTradePlus accounts.

- ***Share Class Availability through AMP Platforms***

As of March 31, 2019, ProEquities will offer new clients in the AMP accounts one share class through ProEquities' AMP Platform; the fund selected will not always be the lowest share class available through Pershing or direct from mutual fund carrier. ProEquities will determine the selection on the one share class based on costs and availability of share classes. ProEquities' process for share class selection will exclude share classes with 12b-1 fees unless the only share class available has a 12b-1; in which case, ProEquities will credit the client's account with any 12b-1 fees ProEquities receives. ProEquities will also exclude any share class with FundServ fees unless this is the only share class available. NTF share classes do not have FundServ fees and, as a result of the screening process, will be included in the MSL. If more than one share class remains available, ProEquities will select the lowest cost share class remaining.

ProEquities will convert existing client accounts holding mutual funds with higher expense ratios than current share class available on AMP to the lowest share class available on AMP but will not convert clients currently invested in lower expense ratio shares than the current share class available on AMP. Those clients may continue to hold existing share classes even if not otherwise available for purchase; however, ProEquities will not allow new or subsequent purchases into share classes not offered on AMP. New assets transferred into the AMP Platform will be permitted to maintain the lowest share class in the accounts. The assets transferred into the AMP Platform with higher cost share classes will be converted into the AMP share class on a monthly basis.

ProEquities receives no commissions in connection with securities transactions for which it acts as introducing broker. In AMP accounts, ProEquities has the choice of using either NTF funds or transaction fee funds when available. While transaction funds generally have a lower expense ratio to the client than a NTF fund, the clearing and custody costs paid by ProEquities are higher than for transaction fee funds than for NTF funds. A conflict of interest exists because ProEquities has financial incentive in its selection of NTF funds resulting with higher revenue to ProEquities and creates an incentive to select NTF funds in order to reduce the clearing and custody fees for its clients' accounts, instead of selecting transaction fee funds that may have a lower expense ratio to the client. In order to address this potential conflict, ProEquities pays the custodian an asset based fee for clearing and custody in PreTrade, ProTrade, UMA, SMA and Strategist accounts. ProEquities mitigates this conflict by disclosing it to the client and requiring the Advisor document the account reviews they conduct with clients, and other ongoing advice that may result in transactions in a specific client account. Other mutual fund share classes available through Pershing or direct with the mutual fund carrier, may have lower internal expenses are not available in AMP programs; however, those share classes may incur ticket charges (or commissions) with any purchase or sale. In CAM, PreTradePlus and ProTradePlus accounts ProEquities receives a mark-up for ticket charges; however, ProEquities limits the conflict of interest in relation to NTF shares in these Programs as NTF shares do not have ticket charges.

ProEquities has an agreement with Pershing as custodian of advisory programs under which ProEquities provides the custodian with certain services. These services generally include, but are not limited to, (i) clerical assistance in completing account opening paperwork and opening client accounts, (ii) clerical assistance in maintaining client accounts, processing asset transfers and money movement, (iii) reconciling and assisting in updating client account information, (iv) clerical assistance in connection with client questions and account information research, (v) helping clients with using brokerage and account services such as periodic investment programs and check writing services, and (vi) monitoring activity in client accounts. Under such agreements, ProEquities receives compensation from the custodian for its performance of such services and shares in Shareholder Service fees collected by Pershing from the fund companies, including payments based on assets held in the custodians' NTF mutual fund programs. This compensation, referred to as revenue sharing, compensates ProEquities for administrative services we provide to them and is based on the level of assets invested in the mutual funds they advise or distribute. Under the custodians' NTF mutual fund programs, participating mutual fund sponsors pay a fee to the custodians to participate in the programs. A portion of those fees are shared with ProEquities. Such payments vary by custodian and are up to 0.40% of assets held in NTF mutual funds.

The receipt of Shareholder services fees by ProEquities creates a conflict of interest due to the generated revenue to ProEquities. The receipt of this revenue also creates a conflict of interest to ProEquities to use Pershing as a custodian over other custodians that do not share the Shareholder Service fees paid by mutual funds and to recommend NTF funds over other funds that do not pay and share in Shareholder Service fees. ProEquities will not credit a client's account for any revenue sharing payments we receive. ProEquities mitigates this conflict by disclosing it and ensuring the compensation or revenue ProEquities receives related to assets held, transactions, and activity in program accounts described above is not shared with ProEquities Advisors providing investment advisory services and investment recommendations to clients and client accounts. The receipt by ProEquities of these types of asset-based revenue from the clearing and custodial firm arrangements will support and defray the costs ProEquities has related to the ongoing maintenance of the advisory programs offered and sponsored to ProEquities' Advisors and clients. As such, advisory program platform costs incurred by ProEquities clients may differ depending on the program being utilized and the products being recommended and selected. Again, ProEquities mitigates this conflict by disclosing it and ensuring the compensation and revenue ProEquities receives related to any assets held, transactions, and activity in the program is not shared with the Advisor providing investment advisory services and investment recommendations.

ProEquities also receives a portion of any ticket fees charged to clients or a ProEquities Advisor, a portion of any custodial fees charged to qualified plans and IRAs, compensation for any mutual fund positions held at the custodian, and other types of compensation from the custodian, any mutual fund positions held at the custodian, and other types of compensation from the custodian related to assets held or transactions placed through the custodian. We mitigate these conflicts of interests by disclosing them, not sharing any of these revenues with the ProEquities Advisor that recommends transactions or strategies, and by requiring there be a review of accounts at account-opening, and periodically to ensure it is suitable for the client in light of matters such as investment objectives and financial circumstances.

Although ProEquities is able to negotiate competitive pricing with Pershing it believes is beneficial to its clients, ProEquities' clearing relationship with Pershing provides ProEquities' broker/dealer with certain economic benefits by using itself as the broker/dealer for its AMP Program accounts rather than an unaffiliated broker/dealer. The cost to ProEquities for providing these custodial services is less than what we charge because we add a mark-up. When acting as the broker-dealer of record on a client account, ProEquities adds a mark-up to the transaction costs and certain other brokerage account charges and fees, to cover the number of broker-dealer functions and services with respect to clients' accounts. ProEquities responsibilities include, but are not limited to, collecting, verifying and maintaining documentation about the client and his or her account, approval and acceptance of the client account, reviewing and supervising activities, including trading activities, transmission of all orders with respect to the account including maintaining compliance with fiduciary standards and suitability requirements, as applicable, and processing periodic investment and withdrawal transactions. ProEquities maintains substantial operational, compliance and technology resources in support of its broker-dealer operations necessary to provide these and other services in connection with client accounts and any transactions effected therein.

Clients may transfer existing assets into the AMP advisory fee programs, which may include mutual funds or other security holdings which were sold by the client's Advisor in a prior brokerage account. If so, the Advisor may have earned a selling commission before moving assets into a fee-based advisory account. On June 5, 2018, ProEquities instituted a new policy on transferring commissionable products to advisory accounts. ProEquities advisors are generally restricted from transitioning client assets held within a brokerage account to a fee based account if the advisor has earned a commission (including sales charge, transaction fee, mark-up, mark-down, concession, etc.) on any of the underlying positions within a specified period.

When possible, other commissionable products from a ProEquities brokerage account can be transferred in-kind to an advisory account (i.e. equities and ETFs) but will have a look-back review period, and recently received commissions will be reimbursed to the client. ProEquities does not allow the systematic transfer of recently purchased commission-based products to fee-based advisory from a brokerage account. "Recently purchased" is defined as a minimum of 120 days for stocks and ETFs and up to 2 years for mutual fund A shares (the look-back period depends on the products type). If an Advisor recommends a product previously purchased in a commission-based account be transferred into an advisory account, the recommendation can be deemed to be a conflict of interest. ProEquities manages this conflict through written disclosure to the client and by imposing reasonable controls designed to monitor for this activity.

Clients with mutual funds or exchange traded funds in their portfolios are effectively paying ProEquities and the fund adviser for the management of the client's assets because funds pay advisory fees to the fund manager and distribution and service fees to broker-dealers, including ProEquities; and such fees are therefore indirectly charged to all holders of these fund shares. Clients who place mutual funds or exchange traded funds under ProEquities' management are therefore subject to both ProEquities' direct advisory fee and the indirect management fee of the fund Advisor. Mutual funds and exchange traded funds are subject to additional advisory and other fees and expenses. Each fund charges its own separate fund-level fees and operating expenses, including, for example, administrative, custody, transfer agent, legal and audit fees and expenses, investment advisory or management fees, shareholder servicing fees, omnibus accounting fees, fees for sub-administration, recordkeeping, print mail services and other expenses. These fees and operating expenses are ultimately borne by the shareholders invested in the fund, including our clients. Other classes of mutual funds have lower fund-level fees than those used in this program. Please review the relevant funds' prospectuses for a full explanation of fund expenses and charges. To the extent that the client will hold fund shares for an extended period of time, these internal fund expenses should be added to the investment advisory fee when evaluating the costs of an advisory fee program offered through the ProEquities AMP platform.

- ***Loan Advance Lending Program***

In certain circumstances an AMP advisory client may wish to enter into a loan agreement establishing a line of credit offered through Pershing LLC, (Pershing) a wholly owned subsidiary of The Bank of New York Mellon Corporation. This loan enables the client to obtain credit secured by the securities and other property held, carried, or maintained by the client in Pershing's possession also known as "pledging". LoanAdvance is available for any account established under the guidelines of SEC "40 Act and under advisement of a corporate or individually registered investment professional. The client is responsible for independently evaluating whether: (i) the loan is appropriate for their needs; (ii) the terms on which Pershing is willing to lend are acceptable; and (iii) whether the loan will have adverse tax, investment, accounting or other implications for the client and the account.

Loan advances are made in a separate LoanAdvance account that is not a margin account. The fees related to a securities-based loan are separate from the advisory fees charged to a client's advisory account. The client agrees that Pershing will charge interest on the debit balance and that Pershing will require the client to maintain securities, cash or other property to secure repayment of funds advanced and interest due in accordance with procedure set forth in the Loan Agreement. Pershing may require either that (i) the LoanAdvance account contain a minimum amount of securities, cash or other property to secure the Loan Advance credit advances, or (ii) that the initial credit advance exceed the Pershing minimum of $25,001 and meet any individual state required minimum loan amounts, which are noted in the Loan Agreement. Credit advances may be obtained by any one of the clients or account owners on a jointly held account with the understanding that all of the clients or joint account owners will be liable, jointly and severally, for repayment of the credit advances and interest. Credit advances may be obtained up to a credit limit that Pershing will establish. Pershing may use valuation different than those reflected on brokerage or other performance statements or for other purposes. As a result, collateral values that Pershing provides may be materially different than the fair value of, or other pricing provided by Pershing on these securities. The value of the collateral is determined by the underlying securities with certain loan to value considerations for stocks, mutual funds, UITs, corporate or municipal bonds and U.S. Treasury bonds. Certificates of Deposit may not be used as collateral for LoanAdvance credit. The credit limit may fluctuate from time to time, based on the value of the collateral held in the advisory account being used as collateral and Pershing's current collateral requirements. Interest and fees assessed to the LoanAdvance account are considered an extension of credit.

With LoanAdvance for advisory accounts, the collateral and loan are held in separate and distinct accounts. The client is permitted asset substitutions where the advisor has the ability to rebalance the portfolio of the managed account freely provided that the equity and collateral remains at an acceptable level. All substitutions must be executed on the same day. To pay off a LoanAdvance line of credit, the client may liquidate securities, transfer funds, or deposit funds directly into the LoanAdvance account. Furthermore, assets held in advisory accounts supporting a LoanAdvance loan must be immediately consolidated in the LoanAdvance account when the account becomes a brokerage account in order for the loan to continue to be supported as non-purpose. Failure to do so could result in the loan being designated as a purpose loan subject to higher collateral requirements.

Pershing will send clients separate account statements on the LoanAdvance account and advisory account. The loan will be reflected as a debit or negative value. Clients should review the different statements and performance reports generated for their advisory account and LoanAdvance account to determine the impact of the loan or margin on their investment performance.

- ***Interest and Fees***

Interest for LoanAdvance accounts is charged monthly to the LoanAdvance account. This can reduce the cash available for the LoanAdvance account. Interest charged on any credit extended in a LoanAdvance account may not exceed a rate equal to three percentage points above Prime Rate as published in the Wall Street Journal. The interest period begins on the 20th of each month and ends on the 19th of the following month. Interest charges are computed by multiplying the average daily debit balance of the advisory account by the applicable scheduled rate, and then by the number of days during which a debit balance was outstanding and finally dividing by 360. The Prime Rate will change without prior notice. When the Prime Rate changes during an interest period, interest is calculated according to the number of days each rate is in effect during that period. However, the advisory account supporting the LoanAdvance will still incur management fees in accordance with their Advisory Agreement.

In addition to the Prime Rate charged, Pershing shares a portion of the interest the client pays on the loan with ProEquities. ProEquities will assess an administration fee that is added to the Lending Rate. Therefore, the interest rate will be calculated based on the current prime rate in addition to the ProEquities Administration Fee (0.25% up to 1.00%). The amount assessed by ProEquities is determined upon the amount of the sliding scale of line of credit extended on the account. This additional compensation received by ProEquities results in a conflict of interest. ProEquities mitigates this conflict by disclosing it to the client and requiring annual reviews of the account. Clients should explore this subject thoroughly with their Advisor in order to be able to determine whether a securities-based lending arrangement is appropriate for their needs. Advisors are not compensated for LoanAdvance activity in advisory accounts.

- ***Risks***

There are certain risks and conflicts of interest that arise when Pershing lends to a client against a pledge of the client's advisory assets, including: (i) fees and interest received from the client in connection with the loan (which fees and interest may be substantially higher than those charged by other lenders), (ii) a situation could arise where the value of the account is zero and the client still owes money on the loan, (iii) Pershing may force the sale of assets in the client's account(s) if the value of those assets falls below certain levels, (iv) neither Pershing or ProEquities is obligated to contact the client before selling assets to enforce Pershing's rights under the loan and may sell the assets in any manner Pershing may choose in their sole discretion, including for prices that are less than the value that the client believes the assets are worth or is not the best available, (v) the client is not entitled to select which assets are liquidated to meet a margin call or satisfy a repayment requirement under the terms of the loan, and assets may be selected for liquidation that the client wishes to retain, or that may be difficult for the client to replace, or that have a low tax basis and thus, through the liquidation, create an adverse taxable event for the client, and (vi) Pershing is entitled to require the client to provide collateral substantially in excess of statutorily required margin levels and to increase the amount of the required equity in the client's account at any time without prior notice to the client.

The amount of credit that may be extended by Pershing LLC (Pershing) will be set from time to time. If the market value of securities in a LoanAdvance or advisory account(s) used as collateral declines, Pershing will issue a maintenance call which may require the deposit of additional funds or collateral. The equity in a LoanAdvance account or advisory account used as collateral is the current market value of securities and cash deposited as security less the amount owed to Pershing for the credit extended. Pershing reserves the right, at its discretion to require the deposit of additional collateral and to set collateral requirements at a higher or lower amount with respect to particular accounts or classes of accounts as Pershing deems necessary. The client must understand that the portfolio will not be specifically managed toward the preservation of principal balance of the account, which may involve risk and possible loss of principal with this portfolio. This may in turn result in the account's value being deemed by the lender as insufficient collateral for the outstanding loan balance, in a required collateral liquidation, demand for deposit of additional capital, or further action by the lender. Failure to satisfy account maintenance requirements will result in restrictions placed on the account and liquidation of sufficient securities to bring the account to an acceptable level. Pershing can sell, and may force the sale of, the client's securities or other assets in the account without contacting the client in an effort to meet maintenance requirements. The client also may be required to repay the loan in full before the account can be moved to another financial organization. Pershing has the ability to increase house maintenance requirements at any time without providing advance written notice. If liquidations are required to meet maintenance requirements the client will not be entitled to choose which securities or other assets in the advisory account will be liquidated or sold to meet a call. The client will not be entitled to an extension of time on a call. Also, if the LoanAdvance account balance is paid down to zero, the client will have to submit a new Federal Reserve Form T4 in order to re-establish the line of credit.

In consideration of these risks, LoanAdvance may not be appropriate for all investors and the risks should be carefully evaluated.

- ***Restrictions***

LoanAdvance cannot be used for the purpose of (i) purchasing or trading securities; (ii) meeting margin calls relating to securities purchases; or (iii) reducing or retiring indebtedness incurred to purchase, carry or trade securities. Retirement accounts are ineligible for use as LoanAdvance collateral. LoanAdvance is not permitted on custodial accounts per the Uniform Transfers to Minor Act (UTMA). Securities pledged as collateral for non-purpose loans must be margin eligible. LoanAdvance is not extended on restricted or control securities unless approved by Pershing's Credit Risk Management Department. Certain securities such as concentrated or volatile securities may be subject to higher maintenance requirements. Interest charges accrue on a daily basis, are billed on a monthly basis to the LoanAdvance account, are variable and are not tax deductible. Participation in LoanAdvance is subject to the terms of the Lending Agreement. Restrictions in some states may affect credit line amount minimums and broker-dealer or advisor licensing requirements. LoanAdvance may not be available in certain foreign countries, as well as to residents of Nevada and Vermont. Residents of Mississippi, Rhode Island and Washington D.C. are eligible for business loans only. Residents of Connecticut are eligible for consumer and business loans. However, business loans are subject to a minimum draw. Please contact the Advisor or ProEquities for complete details on state guidelines and restrictions.

- ***Use of Margin***

When clients purchase securities, they may either pay for the securities in full or borrow part of the purchase price from ProEquities. Clients that choose to borrow funds for purchases must open a margin account with ProEquities, upon approval based on the firm's analysis of, among other things, the client's creditworthiness and the suitability of margin use by the client. The securities purchased on margin are the firm's collateral for the margin loan. If the securities in the client's account decline in value, so does the value of the collateral supporting the margin loan, and as a result, Pershing may take action, such as issue a margin call and/or sell securities in the account, in order to maintain the required equity.

It is important that clients fully understand the risks involved in trading securities on margin. Upon approval, where applicable, clients will receive a Margin Disclosure Statement from ProEquities disclosing such risks, as well explaining the details and conditions under which interest will be charged, the method of computing interest and the conditions under which additional collateral may be required. Clients should understand that the extension of credit by ProEquities to clients will appear as a debit balance on the monthly brokerage statement.

While the value of the margined security will appear as a debit, clients with a margin balance in an advisory account will be assessed asset-based advisory fees based on the gross value of the account(s) without any offset for margin or debit balances.

As a result, ProEquities and the Advisor may have a financial incentive to recommend the acquisition of securities on margin or otherwise have margin credit extended. In the event of such margin credit extension, the costs incurred by the client, as well as the compensation received by the client's Advisor and ProEquities, will generally increase as the size of the outstanding margin balance increases. Please refer to *Brokerage Account Service Fees*, or visit https://proequities.com/assets/images/Brokerage-Account-Service-Fees-2018_14.11.18.pdf for information regarding additional compensation received by ProEquities in connection with margin interest.

- ***Interest and Fees***

Purchases of securities on credit, commonly known as margin purchases, enable a client to leverage the buying power of the client's equity and thus increase the potential for gain or loss. This margin loan appears as a debit balance on the client's Pershing statement. Pershing charges interest on the debit balance and requires the client to maintain securities, cash or other property to secure repayment of the funds advanced, plus any interest due. Interest charged on any debit balances may be up to 2.75 percentage points above the Pershing Based Lending Rate (PBLR) which will change without prior notice. For current rates, please refer to *Brokerage Account Service Fees*, or visit https://proequities.com/assets/images/Brokerage-Account-Service-Fees-2018_14.11.18.pdf. When the PBLR changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If the rate of interest charged is changed for any other reason, the client will be notified at least 30 days in advance. The interest period begins on the 20th of each month and ends on the 19th of the following month. The interest is computed by multiplying the average daily debit balance by the applicable schedule rate and by the number of days during which a debit balance was outstanding, and then dividing that result by 360.

- ***Risks***

Clients that purchase securities on margin should understand: 1) the use of borrowed money will result in greater gains or losses than otherwise would be the case without the use of margin, and 2) there will be no benefit from using margin if the performance of their account does not exceed the interest expense being charged on the margin balance plus the additional advisory fees assessed on the securities purchased using margin.

- ***Selection of Broker-Dealer***

ProEquities is dually registered as a broker-dealer (member FINRA and SIPC) and registered investment adviser. As a broker-dealer, ProEquities conducts its securities business on a fully disclosed basis with its clearing firm, Pershing, LLC, ("Pershing"). All accounts participating in the AMP platform are held with ProEquities as the introducing broker-dealer. Trades for wrap fee program accounts are typically directed by the wrap fee program sponsor to its designated executing broker-dealer, Pershing, since brokerage commissions are included in the wrap fee. While directed brokerage is designed to benefit the wrap fee program account through lower trading costs, there may be circumstances where directed trades do not receive the best price, or where dividing the trade into separate components may inhibit ProEquities' ability to obtain the same level of or as timely an execution as it may otherwise have been able to obtain if it had been able to execute the entire trade with another broker-dealer.

For all wrap fee programs offered through the AMP platform, investment advisory accounts will be held in brokerage accounts with ProEquities, through its clearing arrangement with Pershing. As such, Pershing maintains custody of the client's funds and securities; collects interest and dividends; and performs the normal and customary execution and custodial services. Pershing will send clients confirmation of each transaction and account statements for AMP Platform account(s) at least quarterly. Clients participating in the discretionary accounts on the AMP Platform may opt out of receiving trade-by-trade confirmations by giving written authorization to ProEquities. The client's Advisor will assist the client with completing the documentation required to opt out of receiving trade-by-trade confirmations. Clients electing not to receive trade-by-trade confirmations may later rescind this authorization at any time by giving written notice to ProEquities and Pershing; the client's Advisor will assist the client in completing the documentation required to rescind this authorization. Upon receipt of this notice, Pershing will resume sending trade-by-trade confirmations for the client's account.

ProEquities does not conduct Principal or Agency Cross transactions for advisory client accounts. However, certain unaffiliated third party money managers offered through ProEquities may conduct such transactions. Customers participating in a program offered by an unaffiliated third party money manager should consult the disclosure brochures provided by those money managers. Please reference the applicable ProEquities wrap fee program brochures and the advisory agreement for more information on potential conflicts of interest related to such transactions.

- ***General***

ProEquities renders investment advice to the majority of its AMP advisory clients on a discretionary basis, pursuant to written authorization granted by the client. ProEquities maintains a clearing relationship for the execution of client transactions with Pershing as the account custodian. All of ProEquities' AMP advisory clients must select ProEquities as the introducing broker-dealer of record and Pershing as the executing broker-dealer and clearing firm for their AMP managed accounts since brokerage commissions are included in the wrap fee. In addition to the wrap fee, clients may also pay transaction fees also knows as "ticket charges" as described in the specific program description. In all cases, the name and address of the account custodian will be identified in the respective AMP new account form.

ProEquities has negotiated competitive pricing and services with Pershing for the benefit of ProEquities clients. Pershing offers their broker/dealer clients substantial financial strength and stability, economies of scale, and reliable, state-of-the-art technology. ProEquities' AMP clients do not have the option to direct securities brokerage transactions to other broker/dealers or other account custodians. Although ProEquities is able to negotiate competitive pricing with Pershing that it believes is beneficial to its clients, ProEquities' clearing relationship with Pershing provides ProEquities' broker/dealer with certain economic benefits by using itself as the broker/dealer for its AMP Program accounts rather than an unaffiliated broker/dealer. Not all investment advisers who are dually registered as broker-dealers or who have affiliated broker-dealers, require their clients to use the Advisor's broker-dealer to execute transactions. While directed brokerage is designed to benefit the wrap fee program account through lower trading costs, there may be circumstances where directed trades do not receive the best price, or where dividing the trade into separate components may inhibit ProEquities' ability to obtain the same level of or as timely an execution as it may otherwise have been able to obtain if it had been able to execute the entire trade with another broker-dealer.

ProEquities may also receive a portion of any transactions fees charged to clients or a ProEquities Advisor, a portion of any custodial fees charged to qualified plans and IRAs, compensation for any mutual fund positions held at the custodian, and other types of compensation from the custodian, any mutual fund positions held at the custodian, and other types of compensation from the custodian related to assets held or transactions placed through the custodian. ProEquities also has a conflict of interest due to a financial incentive to recommend a particular custodian based on the amount or level of NTF custodial service payments and other compensation that the custodian provides. We mitigate these conflicts of interests by disclosing them, not sharing any of these revenues with the ProEquities Advisor that recommends transactions or strategies, and by requiring there be a review of accounts at account-opening, and periodically to ensure it is suitable for the client in light of matters such as investment objectives and financial circumstances.

ProEquities has entered into a Transition Assistance clearing and custody agreement with Pershing, as such, ProEquities has a cash incentive arrangement in selecting its clearing and custody agreement with Pershing over other custodians. Pershing reimburses ProEquities on assets transitioned into the Pershing platform during a six month period. Pershing reimburses ProEquities on retirement accounts incurring termination fees at the prior custodian (provided these fees are simultaneously credited back to the ProEquities' customers). Pershing will also reimburse ProEquities for retail accounts incurring transfer fees charged by the former firm. No reimbursement payments will be due to ProEquities under the Transition Assistance program for accounts and assets transferred to ProEquities from an introducing firm that clears through Pershing. Generally, Pershing will reimburse approximately $200 per account; however, the amount may be higher or lower as the exact amount is determined on a case by case basis. These account transfer cost reimbursements may not be offered or available to all new clients transferring their assets to the custodian and clearing firm.

- ***Step-Out Trades***

In general, Envestnet routes trades directly to Pershing. Occasionally, Third Party Managers participating in some Advisors Choice Strategist, SMA and UMA Programs have the authority to effect transactions through a broker-dealer other than Pershing when the manager reasonably believes that such other broker-dealer may effect such transaction at a price, including any mark-ups or mark-downs and/or other fees and charges, that is more favorable to the account than would be the case if transacted through Pershing. This practice is frequently referred to as "step-out trading." Step-out trades may be executed without additional cost, but in certain instances, the executing broker-dealer may impose a commission, mark-up, or mark-down on the trade. If a third party manager engages in a step-out trade and the executing broker-dealer assesses a commission or equivalent fee on the trade, the client will incur trading costs that are in addition to the platform fees paid by the client to participate in AMP. Brokerage costs incurred in step-out trades are reflected in the net purchase or sale price shown on the trade confirmation that the client will receive for the particular step-out trade but are not disclosed separately in the trade confirmation.

Step-out trading practices differ among third party managers; some third party managers do not engage in step-out trading, while others engage in step-out trades for some or all transactions at no additional cost or for various additional costs. Third party managers who engage in step-out trades may be more costly to a client than third party managers who do not engage in step-out trades. Clients should review the third party manager's Form ADV Part 2A Brochure, inquire about the third party manager's trading practices and associated trading costs, and consider this information carefully before selecting a third party manager. Clients should review these step-out trading practices and the criteria used in selecting broker-dealers with their Advisors. Clients may also wish to contact their Advisor to determine if other third party managers on the platform provide a similar strategy at a lower cost.

- ***Best Execution***

ProEquities seeks to obtain, through its clearing firms, the best combination of net price and execution when effecting brokerage transactions for client accounts. ProEquities periodically and systematically reviews Pershing's execution quality and the ProEquities processes to ensure ProEquities continues to meet its best execution obligations for its clients.

In the selection of brokers or dealers to effect transactions, the third party manager should, as part of its best-execution obligations, consider those broker-dealers who the third party manager believes are capable of providing the best qualitative service, taking into account the full range and quality of the services offered by the broker-dealer, including, but not necessarily limited to, the broker-dealer's execution capabilities, the broker-dealer's financial stability, the value of research services, speed and efficiency, execution capability, confidentiality, commission rates, and responsiveness of the executing broker or dealer. The third party manager may select brokers or dealers that provide the third party manager research or other transaction-related services and may cause the client to pay such brokers or dealers commissions or other transaction-related fees in excess of those that other brokers or dealers may have charged, including ProEquities. Such research and other services may be used for the benefit of those third party manager accounts as and where permitted by rule or regulation. Third party managers who specialize in fixed income, international, small-cap, or ETP disciplines may be more likely to trade away from ProEquities due to market conditions, liquidity, exchange availability, or other factors they consider relevant in satisfying their best-execution obligations to clients.

Third Party Managers may aggregate the securities to buy or sell for more than one client to obtain favorable execution to the extent permitted by law. The manager is then responsible for allocating the trade in a manner that is equitable and consistent with its fiduciary duty to its clients (which could include pro rata allocation, random allocation or rotation allocation). For block trade orders, the price to each client is the average price for the aggregate order.

Clients should understand ProEquities does not evaluate whether a third party manager is meeting its best-execution obligations to clients when trading away, as it is not a party to such transactions and is not in a position to negotiate the price or transaction-related charge(s) between the third party manager and the executing broker or dealer. ProEquities does not discourage or restrict a third party manager's ability to trade away.

- ***Conflicts of Interest***

As also discussed elsewhere in this Brochure, ProEquities is a correspondent broker-dealer of Pershing, to which ProEquities typically introduces its client transactions for execution, clearance, and settlement. Pershing provides custody and clearing of client brokerage account assets, including AMP Platform accounts. All of the ProEquities AMP Platform clients establish a securities brokerage account with ProEquities and execute securities transactions for AMP Platform accounts through Pershing. In some cases, broker-dealers may be compensated for utilizing their clearing firms' securities transaction and execution services. This industry practice is generally known as "payment for order flow." The practice of receiving payments for order flow does not relieve the executing broker-dealer of its duty to provide best execution for its clients. As a matter of policy, ProEquities does not receive payment for order flow.

The investment advisory services provided by ProEquities may cost the client more or less than purchasing similar services separately. Clients should consider whether or not the appointment of ProEquities as the sole broker-dealer may result in certain costs or disadvantages to the client as a result of possibly less favorable executions. Factors to consider include the type and size of the account and the client's historical and expected account size or number of trades.

- ***Recommendation of Advisory Fee Programs Offered through ProEquities AMP Platform***

As disclosed in the "Advisory Fees" section above, the client's Advisor receives compensation as a result of the client's participation in the advisory fee programs offered via ProEquities AMP platform. The amount of compensation the client's Advisor receives may be more than what the Advisor would receive if the client participated in another advisory fee program offered by ProEquities, or if the client paid separately for investment advice, brokerage and other services. The client's Advisor, therefore, has a financial incentive to recommend one or more of these programs over other programs or services offered or provided by ProEquities.

- ***Summary***

Clients participating in the AMP Platform should review the third party manager's Form ADV Disclosure Brochure carefully prior to deciding to do business with any particular third party manager. Among other things, the third party manager's Brochure must disclose the third party manager's conflicts and various sources of compensation, as well as those costs incurred by clients that may result from engaging in step-out trades, among other things. Clients should also discuss the use or intended use of any particular third party manager with their ProEquities Advisor, including the third party manager's trading practices and the costs that may be borne by the client should he or she choose to participate in the AMP Platform.

Item 5 – Account Requirements and Types of Clients

The minimum investment amounts for each advisory fee program offered through ProEquities AMP℠ platform vary by program and are described above.

These advisory fee programs are designed to assist clients, both individuals and institutions (such as qualified pension plans and profit sharing plans, trusts, estates, charitable organizations, and corporations). ProEquities, through its Advisors, routinely provides investment advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, corporations and other U.S. institutions.

Item 6 – Portfolio Manager Selection and Evaluation

- ***Selection of Investment Advisor Representatives***

All Investment Advisor Representatives ("Advisors") of ProEquities (or of an unaffiliated registered investment adviser, where authorized by ProEquities) who are registered through ProEquities dually registered broker-dealer, may offer the advisory fee programs described herein to their customers. As an independent broker-dealer and investment Adviser, ProEquities serves a diverse field force. Our selection process focuses on advisers with a mindset to grow their existing business and who value the Firm as a business partner. ProEquities believes this culture provides independent advisers with a structured business model that leverages the experience of our Firm while allowing enough flexibility to customize certain components important to their individual needs.

ProEquities' selection process includes an extensive background review of each prospective representative so we may obtain a full understanding of their history and their objectives for business growth. The Firm will closely scrutinize any prospective representative who may have a history of client complaints; financial difficulties; termination from prior employers; or criminal charges and/or convictions.

Selection of the client's specific Advisor is at the discretion of the client. The client may choose to terminate their participation in one or more of the advisory fee programs described herein or appoint another Advisor to service their account. In the event the client's Advisor terminates their registrations with ProEquities, the customer will be notified of this occurrence, and ProEquities may reassign the customer's account to another Advisor who has agreed to manage the client's account. In these circumstances, the client will be notified of this change of Advisor and will be provided the opportunity to decline the assignment of the new Advisor.

Specific information regarding the client's selected Advisor is provided in the Advisor's Form ADV Part 2B, which is provided at the time the client's AMP account is opened and periodically as may be required by law or regulation.

- ***Selection of Advisor's Choice SMA and Strategist***

ProEquities employs a detailed due diligence process prior to approving asset managers for the SMA and Strategists programs. Factors influencing selection of an asset manager include, but are not limited to, historical performance; accessibility; ability to customize, investment philosophy and process, assets under management, and additional criteria. ProEquities will offer the investment management services of numerous third party managers.

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

ProEquities does not charge any performance-based fees and does not participate in side by side management services.

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

ProEquities' Advisors may use charting; analysis of investment fundamentals; technical analysis; and cyclical analysis in the management of or advice regarding client assets. Each Advisor may utilize a different investment methodology in the management of client assets. As with any investment, investment in the advisory fee programs offered through ProEquities involves risk, including the possible loss of principal. There is no guarantee that investing in securities through these programs, or any other security or investment strategy, will be profitable for a client's account. Investments in securities, including those in these advisory fee programs, are not deposits of a bank, savings and loan or credit union; are not issued by, guaranteed by, or obligations of a bank, savings and loan, or credit union; and are not insured or guaranteed by the FDIC, SIPC, NCUA or any other agency.

- ***Voting Client Securities***

Neither ProEquities nor its Advisors vote proxies on a client's behalf or provide advice about how to vote proxies for securities held in the advisory fee accounts offered through ProEquities AMP platform. Neither ProEquities nor its Advisors advise the client or act for the client in any legal proceedings, including bankruptcies involving securities held or previously held in these accounts or the issuers of those securities.

ProEquities clearing broker-dealer, Pershing, utilizes the services of a third party vendor, Broadridge, for proxy processing. On record date, Broadridge will send Pershing a list of the applicable securities for which a proxy must be provided to the owner. Pershing, in turn, will provide Broadridge a list of the names and addresses of customers holding that security. Broadridge then mails hard copies of proxy notices to these customers along with voting instructions.

Item 7 – Client Information Provided to Third Party Portfolio Managers

ProEquities' AMP platform is a turnkey wrap program with portfolio management provided by well-established third party managers. ProEquities, through its Advisors, matches information (such as financial information, investment objectives, and risk tolerance) regarding clients to aid in providing selection of the appropriate third party managers. ProEquities includes the information provided by the client in the Envestnet Statement of Investment Selection ("SIS") to Envestnet at the time the account is opened. The SIS information may include, but is not limited to, the client's name, initial investment amount, risk tolerance and investment selection, and Pershing account number. ProEquities will also notify Envestnet, who, in turn, will notify portfolio managers, of any reasonable restrictions that the client wishes to impose on the management of his or her AMP accounts or the names or types of securities that should or should not be purchased, sold, or held in his or her AMP accounts. In certain cases, Envestnet or a third party manager may not be able to accommodate investment restrictions.

ProEquities will not share information with unaffiliated third parties or with those parties not required to service the client's account. Please consult the ProEquities' privacy policy at www.ProEquities.com for further details about client privacy and information sharing.

Item 8 – Client Contact with Portfolio Manager

The portfolio manager of each client's CAM, PreTrade, PreTradePlus, ProTrade and ProTradePlus account is their selected Advisor. As such, clients will have consistent access to their Advisor.

ProEquities does not place any restrictions on a client's ability to contact or consult with the sub-advisers to the Advisor's Choice Strategist, Advisor's Choice SMA, and ProEquities Unified Managed Account during normal business hours. Clients may also contact their ProEquities' Advisor to discuss the management of their ProEquities accounts during normal business hours.

Item 9 – Additional Information

The following topics are discussed in the attached Form ADV Part 2A Brochure, and can be reviewed in their respective sections: Disciplinary Information, Item 9; Other Financial Industry Activities and Affiliation, Item 10; Code of Ethics and Participation or Interest in Client Transactions and Personal Trading, Item 11; Review of Accounts, Item 13; Client Referrals and Other Compensation, Item 14; Financial Information, Item 18.

- ***Custody***

Effective June 1, 2018, ProEquities changed its policy regarding the receipt of checks and physical securities for deposit to a client's account at Pershing. ProEquities no longer accepts checks payable to ProEquities for deposit into a client account at Pershing, but rather these checks must be made payable to Pershing, LLC, our clearing broker dealer. Physical security certificates must be sent directly to Pershing by the client.

For those investments in ProEquities-sponsored wrap-fee programs, ProEquities has custody of its clients' funds and/or securities in that it deducts fees from client accounts pursuant to the client's advisory agreement. ProEquities does not maintain physical custody of its clients' funds or securities.

Under the Amended Custody Rule, ProEquities is deemed to have to custody of client funds and securities because of:

(1) its authority to deduct fees from the Clients' custodial accounts, and/or

(2) acting pursuant to a standing letter of authorization (SLOA) or other similar arrangement established by a Client with a qualified custodian authorizing the Advisor to transfer client assets to third party.

ProEquities defines first party money movement where cash or assets are disbursed between two of the client's accounts, where both accounts have the same-named registration. ProEquities defines third party money movement where cash or assets are disbursed between two accounts with different named registrations and/or individual account to a joint account.

Because ProEquities complies with all conditions of the SEC-no action letter regarding the treatment of limited powers to withdraw Client funds on their behalf, ProEquities therefore is not required to comply with the Custody Rule's annual surprise exam requirement. Fee-based variable annuity products may be either held directly at the insurance company or linked to a ProEquities-sponsored AMP account for billing purposes. In either case, the insurance company with whom the annuity contract is signed is the custodian of those assets.

- ***Other Financial Industry Arrangements***

ProEquities is a dually registered investment adviser with the SEC and broker-dealer with FINRA, and a municipal securities dealer and municipal financial adviser with the SEC and Municipal Securities Rulemaking Board (MSRB). ProEquities' management personnel, as well as each of our Advisors, are also registered representatives of ProEquities' broker-dealer.

ProEquities is not a futures commission merchant, commodity pool operator or commodity trading adviser.

ProEquities is an independent investment advisory Firm with Advisors located geographically throughout the United States and has been registered as an Adviser with the SEC since 1998. ProEquities is a wholly-owned subsidiary of Protective Life Corporation. Protective Life Corporation was purchased by The Dai-ichi Life Insurance Company, Limited ("Dai- ichi") in February, 2015; therefore Dai-ichi is an indirect owner of ProEquities. Other subsidiaries of Protective Life Corporation which are registered as either broker-dealers or registered investment advisers include:

- Investment Distributors, Inc. is a registered broker-dealer that wholesales Protective Life Insurance Company's variable insurance products. As such, Investment Distributors solely distributes products and does not open or maintain customers' accounts or hold customer funds or securities. Although under common ownership, the relationship to Investment Distributors, Inc. does not present a conflict of interest to ProEquities, its Advisors or its clients.

- Protective Investment Advisors, Inc. is a registered investment adviser with the SEC that primarily manages mutual fund investments for its parent company, Protective Life Corporation. Although under common ownership, the relationship to Protective Investment Advisors does not present a conflict of interest to ProEquities, its Advisors or its clients.

ProEquities has networking agreements with several banks or other financial institutions, whereby our Advisors market investments, insurance and annuities in these financial institutions. ProEquities is solely responsible for the suitability of sales made to customers;

therefore, the contractual relationship with these financial institutions which allows ProEquities to offer financial products in these institutions does not present a conflict of interest to ProEquities, its Advisors or its clients.

ProEquities is a fully disclosed/introducing broker to Pershing. As such, all client AMP trades are cleared through Pershing and all client accounts are held with Pershing. All accounts in ProEquities sponsored AMP advisory fee programs are held at Pershing.

Appendices 2 and 3

Brochure Supplement (Part 2B of Form ADV)

CHRISTOPHER R PHILLIPS
Brochure Supplement for ProEquities CorETF and Select Opportunity Portfolios

2801 Highway 280 South
Birmingham, AL 35223
Phone: (205) 268-7040
Fax: (205)268-1060
E-Mail: chris.phillips@proequities.com

This brochure provides information about the qualifications and business practices of Christopher R Phillips, who serves as portfolio manager to the ProEquities CorETF Portfolios and the ProEquities Select Opportunity Portfolios. Please contact us at (205) 268-7040 and/or *chris.phillips@proequities.com* with any questions. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Christopher R Phillips also is available on the SEC's website at ***www.adviserinfo.sec.gov.***

Educational Background and Business Experience
Year of Birth: 1973

Formal Education after High School:

Institution Name	Degree Obtained	Year Started	Year Ended
Vanderbilt University	None	1991	1994
University of Alabama	Bachelor of Science Major: Finance	1995	1997
University of Alabama	Bachelor of Science Major: Business Administration	2001	2003

Business Background:

Name of Company	Position Held	Year Started	Year Ended
Highland Associates	Financial Analyst	2002	2006
Regions Bank	Investment Analyst	2006	2007
Citigroup Global Markets	FAA	2007	2009
Morgan Stanley Smith Barney	Mass Transfer	2009	2010
Ameriprise Financial Services	Associate Financial Advisor	2010	2011
ProEquities	Director of Advisory Investments	2011	Present

Securities and Insurance Licenses:
Series 7; 66.

Professional Designations:
Designation Name: CFA - Chartered Financial Analyst
Accredited Sponsor: CFA Institute
Date Earned: 6/5/2003

CFA - Chartered Financial Analyst
Issued by the CFA Institute, The CFA Program reflects a broad Candidate Body of Knowledge developed and continuously updated by active practitioners in countries around the world to ensure that charter holders possess knowledge grounded in the real world of today's global investment industry.

Disciplinary Information:
Christopher R Phillips does not have any material disciplinary history.

Other Business Activities:
Christopher R Phillips is engaged in the following investment-related OBA in addition to serving acting as an Advisor. Christopher recognizes that these activities may raise conflicts of interests. Christopher R Phillips has described how he addresses them and any compensation he receives from these activities:

Christopher R Phillips is a Registered Representative of ProEquities, Inc., which is a registered broker-dealer and a member of FINRA and SIPC. His other affiliation creates limited potential material conflicts of interest for advisory clients because his commissions are customary and competitive for the marketplace. However, brokerage services may be available elsewhere at a lower cost. At no time is any client obligated to purchase securities through ProEquities, Inc. Christopher R Phillips receives no additional economic benefits that could create a material conflict of interest that he has not included below.

Non-Investment-Related Outside Business Activities:
Christopher R Phillips is not involved in non-investment-related outside business activities that provide a substantial source of income or involve a substantial amount of time.

Additional Compensation:
Christopher R Phillips does not receive additional economic benefit for providing advisory services.

Supervision:
ProEquities' system for supervision of its supervised persons centers on delegating functions to designated supervisors located in ProEquities' home offices in Birmingham, AL. These designated supervisors are collectively responsible for ensuring that all of ProEquities' supervised persons are in compliance with applicable SEC and state rules and regulations and ProEquities' own policies and procedures. Through the use of a wide variety of surveillance systems, ongoing training and education, and supervisory controls, ProEquities' designated supervisors perform a myriad of supervisory functions on a regular basis that are reasonably designed to supervise ProEquities' supervised persons. ProEquities routinely monitors the adequacy and effectiveness of its policies, procedures, and supervisory controls.

The individual with overall supervisory responsibility for Christopher R Phillips is: Elizabeth Anderson, VP Advisory & Planning
(205) 268-7085

Appendix 4

ProEquities Consumer Privacy Policy

As of January 1, 2020

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. This notice is being provided on behalf of ProEquities, Inc. Please read this notice carefully to understand what we do.

The types of personal information we collect can include: Social Security number, your income and assets, investment experience, account transactions and retirement assets. When you are no longer our customer, we will continue to hold your information and share it as described in this notice. All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons why financial companies can share their customers' personal information, the reasons ProEquities chooses to share personal information and whether you can limit this sharing.

Reasons We Can Share Your Personal Information	Do We Share?	Can You Limit Sharing?
For our everyday business purposes, such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	We don't share
For non-affiliates to market to you—for clients with accounts established with ProEquities representatives at banks or credit unions	No	We don't share
For non-affiliates to market to you—for clients with accounts established with ProEquities independent representatives	Yes*	Yes*

Note: If your independent representative terminates his or her relationship with us and moves to another brokerage or investment advisory firm, we or your independent representative may disclose your personal information to the new firm, unless you instruct us not to by completing the completed Privacy Choices Notice at www.ProEquities.com/privacy.

Definitions

- Affiliates – Companies related by common ownership or control. They can be financial and non-financial companies.
- Non-affiliates - Companies not related by common ownership or control. They can be financial and non-financial companies. The Non-Affiliates we may share information with include an independent representative's new brokerage or investment advisory firm if they choose to leave ProEquities.
- Joint Marketing - means a formal agreement between non-affiliated financial companies that together market financial products or services to you

Information for California, North Dakota, and Vermont Customers
In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.

How We Collect and How We Protect	
How does ProEquities protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our online environment uses security technologies, including layered security and access controls over personal information. For further information, please visit the page How ProEquities Secures Your Information.
How does ProEquities collect my personal information?	We collect your personal information, for example, when you: • Open an account • Apply for insurance • Seek advice about your investments • Enter into an investment advisory account • Tell us about your investment or retirement portfolio We also collect your personal information from others such as credit bureaus, affiliates or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • Sharing for affiliates' everyday business purposes— information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

Privacy Choices Notice: The Ability to Opt-Out or Opt-In When Your Advisor Changes Firms

Opt-Out

If you would like to limit the personal information that your financial advisor could disclose or take if moving to another brokerage or investment advisory firm ("New Firm") and terminates the relationship with ProEquities ("Opt-Out"), you may: (1) access ProEquities.com/privacy, complete the appropriate form and check the "opt-out" box , and mail the form to ProEquities; or (2) call ProEquities Client Services at 1-800-288-3035, option 1 and make the election. You may withdraw your opt-out choice at any time by completing the same form to indicate you are revoking your prior "opt-out," and returning to ProEquities.

Opt-In

If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm, then you must give your written consent before we will allow your financial advisor to take your personal information to that New Firm. Please be aware that ProEquities entered into the Protocol for Broker Recruiting (the "Protocol") on November 30, 2016, with certain other brokerage firms, and if ProEquities remains a signatory to the Protocol as of the effective date of your advisor's termination from ProEquities, then ProEquities will permit your financial advisor to take your name, address, phone number, email address and the account title of the accounts serviced (or additional information as permitted if the Protocol is amended) while your financial advisor was associated with ProEquities if your advisor joins one of these Protocol firms. The retention of this limited information by your advisor under the Protocol may occur even if you have exercised your rights to limit information sharing as described above (i.e., "opted-out"). To make your opt-in election, go to ProEquities.com/privacy, complete the Privacy Election form, check the "opt-in" box and mail the form to ProEquities.