



PRIVATE CLIENT SERVICES™

MEMBER FINRA, SIPC
A Registered Investment Advisor

Let our independence ignite yours.™

Navigate the Road to a Successful Transition!

Welcome to Private Client Services!

The Private Client Services (PCS) transition team is your primary source of contact with the Home Office during your transition to PCS. We believe that a successful transition begins with a good plan, and the transition team at PCS will guide you through the transition process in the most timely, efficient and painless way possible.

Affiliation with Private Client Services

FINRA Registrations: Completion of your registration paperwork is the first step in creating your new future with PCS. This step is critical in satisfying FINRA requirements for your move.

Required Registration Documentation

- Background check release forms
- U4
- Outside business activities disclosure
- ACH form and voided check
- W9
- Fingerprint cards (3)
- Copy of resignation letter or U5

PCS requires each registered representative to be securities licensed in your clients' state(s) of residence.

Insurance Licenses: If you conduct variable insurance business, prior to your affiliation with PCS, you should review your insurance licenses to ensure they are active. If you find something has lapsed, please work with the respective state to take the steps necessary to re-activate in your plan to maintain clients within that state.

It is important to note that each carrier you are currently appointed with will require new appointment paperwork before any client accounts can be changed to PCS. If you are not appointed with the carriers under PCS, any broker-dealer changes will not be processed. Commissions earned on these accounts may be paid to your previous broker dealer and may not be retrievable by you.

Important Considerations When Changing Broker Dealers

SEC Regulation SIP governs client privacy, and it is important to consider the responsibilities you have to your clients when making the decision to join PCS and leave your present broker-dealer.

As a broker-dealer, we are required to notify clients at the time an account is

opened and annually thereafter of our process for protecting sensitive client information.

One consideration for you is, where are you coming from? Is your present firm a member of The Broker Protocol? If so, you have the ability to share limited client data with PCS in preparation for your transition to our firm. If your present firm is not a member of The Broker Protocol, the ability for a representative to share client data with PCS does not exist.

Please visit <http://www.thebrokerprotocol.com/> for more information about The Broker Protocol, a list of member firms and answers to frequently asked questions.

It is also PCS' policy to abide by non-solicitation and non-compete clauses and agreements a prospective representative has entered into at their present firm. There is not a simple work-around for non-solicitation and non-compete agreements; they are enforceable by state laws. PCS encourages you to have a conversation with an attorney familiar with your present agreement and the laws of your state prior to committing to join our firm.

Advisory Services and Independent RIAs

PCS is a Registered Investment Advisory firm registered with the SEC and offers advisory programs and services to representatives of PCS.

A representative of PCS may become an investment advisor representative (IA) with the proper credentials.

Independent RIAs

PCS embraces the opportunity to partner with independent investment advisory firms and dually register you as only a registered representative of our broker/dealer. PCS offers the support you need, along with the flexibility and convenience to grow your independent business model.

Marketing and Branding Your Business

PCS applauds the work you've done in your community and surrounding areas to promote yourself and build a strong image. One of the most important next steps when affiliating with PCS is to complete any necessary forms to register your website with the firm and to obtain preliminary approval of your business cards and stationary. The Compliance Department will provide you with the proper disclosure for your business cards and stationary based on your particular situation.

Note: Final approval of business cards and stationary comes after your official affiliation with PCS at FINRA.

MarketingPro

PCS provides for electronic submission of advertising materials and electronic review and approval of your marketing submissions.

Your business cards, stationery and any other marketing materials will be submitted through the MarketingPro system for official review and approval. The system will generate a certificate you can keep in your records showing that compliance approval of the materials was obtained. Your designated supervisor will walk you through use of the MarketingPro system upon your affiliation with the firm.

Note: All stationary and marketing items must be submitted for final approval using MarketingPro prior to first use.

Voicemail

The voicemail message you leave on your phone must include language along the following, "Orders for securities transactions cannot be accepted on voicemail."

Compliance

Supervision and compliance are important components to the success of every broker-dealer. PCS takes our responsibility in these areas very seriously and prides ourselves on affiliating registered representatives whose principals and integrity are important to them.

PCS provides access to the firm's Written Supervisory Procedures upon your affiliation with the firm. Additionally, your assigned registered principal will be a tremendous resource for you as you transition over and on into your future with PCS.

Your assigned registered principal will go over a comprehensive listing of logs and blotters you are required to keep in your office location, as well as other operating policies and procedures.

Your Representative File - Best Practice

PCS encourages our registered representatives to maintain copies of insurance licenses, insurance appointments, your representative agreement, affiliated U4, designations, etc. in a location easily accessible to you. PCS maintains a number of these items, as well as others, such as copies of E&O certificates of coverage, electronically. Your supervisor will show you how to access your electronic file upon your affiliation with PCS.

Technology

PCS is pleased to offer representatives a wide variety of technology offerings which

enable you to customize a technology bundle that fits your business' individualized needs.

Preparing Your Book of Business for Transition

As we've said before, PCS recognizes the value of a good plan. Our transition team will help you create the most effective game plan for moving your client accounts. Client paperwork preparation can begin prior to you being affiliated with PCS but cannot be provided to clients for signature until you are approved with FINRA and your home state.

Note: It is particularly important to pay close attention to client Social Security numbers, addresses and the spelling of names when completing new account documentation, in order to ensure the smoothest possible transition for your client.

Develop a Plan

The first step in a smooth transition and the development of a plan is to take inventory of your client accounts by registration type. Taking the time to do an inventory will enable you to determine how many new accounts you will need to open, which clients might have special considerations and will give you a ballpark idea of how long completing the new paperwork will take.

Brokerage Accounts

Your clients' brokerage accounts will be customized with your corporate branding/logo at Pershing, LLC.

The single key to success in transferring your brokerage accounts is going to be submitting the paperwork to the Operations department in our Home Office in good order so that the transfer process may begin as quickly as possible.

Client Inventory: Brokerage

Consider using an inventory guideline that asks questions like:

- Total number of clients
- Total number of accounts
- Determine if the brokerage accounts will have close-out fees. Consider the cash positions in accounts with close-out fees so that the account doesn't transfer with a debit balance.
- Total number of qualified brokerage accounts
- Number of clients currently taking IRA distributions and determine the day of the month the distribution occurs

- Number of clients currently making IRA contributions and determine the day of the month they have the contribution deposited
- Number of non-qualified brokerage accounts
- Number of accounts with check-writing or debit card
- Number of accounts using an automatic deposit and periodic investment plan
- Number of accounts using a systematic withdrawal
- Number of accounts using ACH distributions or contributions
- Number of accounts with margin or options privileges
- Consider special client circumstances; which clients hold non-publicly trades stock or any alternative investments

PCS' transition team will clearly outline the form requirements for moving both qualified and non-qualified accounts along with the forms needed for distributions, etc.

Some account services, like check writing and IRA distributions, for example, require additional paperwork to continue these features when the client's account moves. Additionally, some registrations may require specific forms or documentation to establish the account. The Operations Transition Specialist assigned to your transition will help you identify these situations and what documentation will be required.

Note: It is important to time the transfer of client brokerage accounts to avoid the interruption of any scheduled events.

Directly Held Accounts

You should also consider an inventory of all non-brokerage accounts (those accounts held fund direct, etc.). You will need to identify the different types of accounts you have and how many of these accounts each of your clients have the with various mutual fund and annuity companies. PCS requires a new client account form to be completed for each non-brokerage account registration in order to successfully process commissions and meet regulatory books and records requirements.

Client Inventory: Non-Brokerage

Consider using a guideline that addresses these items:

- Verify each company is on PCS' list of active selling agreements and products
- Verify the number of non-brokerage accounts

Note: A change of dealer form is required for each client account registration. This form may not be presented to the client for signature until you are affiliated with PCS.

Completing Paperwork

Once you have completed an inventory of your client accounts, you will have a better understanding of the time needed to complete the new account documentation required to move your book of business. This is by far the most difficult part of the transition. During this time, your Operations Transition Specialist will be available to answer your questions and assist you in getting the forms completed correctly the first time around.

During this phase of preparation, you should determine how you will notify your clients of the move. Will it be by mail, open house, in your office or will you visit them personally? You can put a plan of attack together for this step and view it as a planned point of contact and an opportunity to generate more business.

There are several ways to consider preparing paperwork for the transition:

	Details	Advantages
Complete forms for largest clients first	<p>Prioritize clients into 3 groups:</p> <p>"A" Client: clients that are imperative to your practice.</p> <p>"B" Client: Clients who are important but may have smaller accounts or needs.</p> <p>"C" Client: Clients you do not service on a regular basis.</p> <p>Prepare and complete forms for the "A" client first, then "B" clients and then the "C" clients.</p>	<p>This method is generally the most widely used.</p> <p>You can ensure that commissions for your biggest producing clients will not be lost and that these clients get moved with minimum disruption of services.</p>

Complete forms alphabetically	Create a plan to complete forms alphabetically by client. Complete all forms and create a follow-up system determined by last name.	The advantage to this method is ensuring no clients slip through the cracks.
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There are several ways to deliver forms to your clients:

	Pros	Cons
Direct mail to client with no notification	Easy to prepare in advance and mail.	No direct contact with the client may cause the client to view the move negatively. You have to wait until forms for returned by mail before being able to submit paperwork to PCS. There may also be significant follow-up required to get all needed paperwork returned.
Courtesy call to client followed by direct mail	Client is notified personally and you can reassure him or her about the move by phone. This is also a great opportunity to update information and possibly generate new business.	You must still wait for forms to be returned by mail. Follow-up will likely be ongoing. More time consuming than direct mail option.
Personal visit with client	You can get the client to sign all forms immediately and you are available to answer any questions they have in person to ensure accuracy of the paperwork completion. You will have updated client information to work from and may possibly generate new business.	This is a time-consuming effort. The success of this method depends on the size of your customer base and their geographic locations.
Open house or client appreciation event	You can get in front of a large number of clients at one time to get the most forms signed and your transition started more quickly. You will have an opportunity to update client	Requires significant planning and coordination between yourself and staff. The success of this method is dependent on the size of your support staff as well as the size of your customer

	information and may possibly generate new business.	base and their geographic location.
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Frequently Asked Questions

- Do I obtain my E&O insurance through PCS?
 - Yes, PCS requires all registered representatives be covered through our E&O policy, which is issued by Marsh US Consumer, Inc., a subsidiary of Seabury & Smith, Inc. Coverage is automatically effective on the first day of a representative's affiliation with PCS. The cost may be pro-rated depending on your date of affiliation.
- When are commissions paid?
 - Commissions received and in good order Wednesday through Tuesday generally post to your bank account every Friday.
- What will happen to my trails and commissions while I am in transition from my current broker dealer to PCS?
 - The answer lies in your contract with your present broker dealer. Your firm's policy on how long they will continue to pay representatives after their termination date will determine if they will pay you after you leave. For this reason, it is important to complete the steps of your transition with PCS as quickly as possible.
- How often do I pay licensing/registration fees?
 - There is an initial charge to register you with PCS, and that fee must be paid prior to your affiliation. The amount is dependent on the number of states in which you maintain registrations.
 - When you request a new state registration or need to take a FINRA exam, the appropriate fee will be charged at that time. You have the option of mailing in a check to the Home Office to cover the fee or have the amount debited against your next commission cycle.
 - FINRA registration fees are collected in November for the following year.