

In this issue:

- [CEO Update](#)
- [Branch Examiner Observation](#)
- [Administrative Update](#)
 - E&O Renewal Update*
 - 2022 FINRA Registration Renewals*
 - Docupace Training and Helpful Hints*
- [Operations Update:](#)
 - Observations from a new COO*
 - Pershing Brokerage Best Practices*
- [Compliance Guidance](#)
 - Insurance Licensing vs. Securities Registrations*
 - Due Diligence Works*
 - Regulatory Exams Reminder*
 - PRD Desk Reminder - Docupace*
- [New PCS Staff](#)
- [U4 Reminders](#)
- [Business Development Update](#)
- [More Compliance Info](#)
 - Recommendation Documentation Supplement - Real Value!*
 - Updated Outside RLA Activity Disclosure Form*

From The Desk Of The CEO:

Dear Stakeholders:

Allow me to start by first thanking you for our relationship and the business you are doing with our firm. The year-to-date numbers are good at PCS, which reminds me that someone once said, “business is good, and we want more”.

Seriously, Private Client Services is doing well. The most important measurement of this is the feedback I receive when I learn of your actual experiences with PCS and our employees. PCS believes we have assembled the very best PCS Home Office team of professionals in our history. There has never been a better time for you to use our services and support.

PCS has employees located primarily in three cities: Louisville, KY, Appleton WI, and Charlotte NC. In addition, we have employees working from their home offices in quite a few other cities throughout the country. Having a diverse footprint and great technology allows us to attract the best talent anywhere in the country. Today, we have a record number of employees, and we will continue to hire more as needed.

We use technology to connect these talented professionals with each other and you and your staff. PCS has and will continue to invest heavily in technology. Once fully deployed and adopted, technology creates efficiencies for advisors and their staff and creates long term benefits designed to meet document retention requirements, provide cost effective storage of data for financial professionals, and streamlined management tools to enhance relationships for servicing clients.

PCS believes you and your staff are our customer(s) and you deserve the very best experience from us. It’s part of our DNA and really is the PCS “corporate culture”. PCS has a responsibility to deliver services, technology solutions and support to assist advisors and their business. PCS is sensitive to any price increases to advisors and believes it to be our responsibility to create cost efficiencies.

PCS strives to create a “great experience” by everyone PCS encounters, especially our financial professionals since we understand that we are working for you, and we hope to never forget that simple fact. We know we are a reflection, and to some degree an extension, of your business and office.

Over the years, the financial services business has become very complex. Whether processing a new application or your clients’ service and money movement requests, there are many steps and requirements. Our awareness of regulations, fraud involving organized criminal networks, internet intrusions, and data protection, is incorporated into each PCS employee’s service standard that is delivered every day seamlessly behind the scenes to you and your business.



CEO COMMENTS (CONTINUED):

It is conceptionally the same when PCS has an inquiry about your business from regulators such as the SEC, FINRA and State securities and insurance regulators. We represent you and your firm and want to impress upon regulators that we have assembled an exceptional group of professional advisors and professional support staff who know and follow their regulatory responsibilities. PCS does not promote sales contests, promissory notes and loans, or complex or illiquid products which regulators tend to dislike.

Speaking of regulators, if you haven't noticed, you need to be aware that there has never been greater oversight than there is now and there are some very good reasons. The introduction of Regulation Best Interest as well as the choices consumers need to make about their investments, type of relationship(s), fees, expenses, benefit features and costs, risks, rewards, etc. are expectations regulators and consumers have of advisors in the delivery of financial services. These are all reasonable expectations that must be delivered in our industry. Regulators are under increasing pressure to protect consumers, identify rogue representatives, and enforce regulations. PCS is committed to complying with industry regulations and standards, and knows our representatives share in these commitments.

Today, regulators have squarely placed absolute responsibility on the financial professional to be able to retrospectively prove their recommendations to clients were correct, in the client's best interest, costs and benefits were appropriate, and fiducially conducted. PCS has developed tools, such as the Recommendation Documentation Supplement form, designed to assist with documentation of recommendations to a client, however each financial professional should also maintain accurate and complete notes of client conversations and product reviews to assist with historical reviews in the event a recommendation becomes the subject of an inquiry by a regulator, or a beneficiary!

Again, thank you for your continued partnership and business, and I look forward to a continued successful year and great fourth quarter!

Ernest Sampson, ChFC, CLU, AEP, CFP™

Direct (502) 992-3540

Email: esampson@pcsbd.net

BRANCH EXAMINER OBSERVATIONS

Most highly successful Financial Professionals are supported by talented support staff. These individuals are charged with numerous duties helping the FP prepare client meetings, processing client requests, scheduling appointments and multiple other functions on a daily basis. In many cases the support staff build relationships with clients that can be as strong, or stronger than that of the FP.

PCS wants to remind all professional support staff of their obligation to comply with industry rules and PCS policies and procedures. Recently, before joining PCS, I came across a compliance issue where a Sales Support Professional had a situation where she saw reused original client signatures that were copied to complete new account transfer paperwork. This is a difficult situation that requires the support person to alert the FP of the issue and get it corrected. If the FP created the form with the duplicate signature, the support staff member has the responsibility to alert their OSJ or MP so the issue may be resolved.

We all come across challenges in our daily responsibilities and when/if you receive instructions from your FP or Manager regarding something that does not appear to be correct, you should raise that issue to Compliance or another principal at your branch/OSJ. If you have questions, please feel free to reach out to me directly at bedler@pcsbd.net.

Bob Edler, Compliance Branch Examiner

ADMINISTRATIVE UPDATE:

Errors & Omissions Insurance Update

Errors & Omissions insurance protects both the Firm and its Registered Representatives against losses due to an actual or alleged negligent act or an error or omission committed in the scope of their responsibilities as representatives/investment advisors (for those registered with PCS' RIA).

As PCS does annually, a thorough review and vetting of multiple insurance carriers and options for our 2021-2022 Errors & Omissions insurance provider is currently underway. Although the professional liability insurance market is tight, PCS is confident that our efforts will result once again in strong, expansive coverage for you and your teams.

Please be on the lookout in the coming days for important additional detail and instruction. Contact Mary Wescott with any questions.

Advance Preparation for 2022 FINRA Registration Renewals

The annual FINRA registrations renewal is coming up in the fourth quarter. In preparation for a successful renewal, as well as to facilitate continued expedient commissions processing in the new year, all registered persons are encouraged to review his or her current state registrations and client lists.

PCS again reminds all registered representatives of your responsibility to be registered, and if applicable, insurance licensed in the residential state of your clients. Additionally, registered representatives are required to be registered in the state from which he or she conducts business. **Please note:** All registered reps included on a split code must be appropriately registered as described above to receive compensation on a transaction.

For PCS advisory representatives, you are required to be RA registered in any state where you have a physical office, including your residential state. Outside IARs should review their policies and procedures to ensure they are registered according to their specific requirements and interpretations of the rule.

Instructions for the addition or removal of state registrations will be included in the Registration Renewal communication slated for distribution in early November.

Please contact Mary Wescott, Joe Cutsinger, Seth Owen or your RIA Registration contact with questions.

Docupace Training and Helpful Hints

Did you know that the Advisor Resource Center on www.pcsbd.net has a comprehensive listing of Docupace training resources, including operational and compliance guides and documentation, as well as training videos?

Visit the site and select the Docupace button from the navigational bar on the left. You'll land on the Docupace Training Resources page and can access a variety of helpful information. You can also visit <https://documentation.docupace.com/> and click on the User Guides icon to access specific user guides on a variety of topics and areas of interest.

If there is a topic or an item of interest that you would like to see addressed in a training manual, please contact either Tim Graham or Lorna Hill.



Mary Wescott,
Chief Administration Officer

OPERATIONS UPDATE:

Observations from a New Chief Operation Officer

My journey with PCS began on May 24 and as I write this, I will have been with PCS for 101 days. As is customary with most new leadership roles, especially that of a COO, a 90-day plan serves as the foundation of the work performed in the first 3 months to see how the organization is currently performing and determine what it will take to realize our strategic goals. I'll take you through a couple of the observations from that 90-day plan.

Assessing the PCS team members and determining how I can best support them, and the performance of their daily activities is a critical component of my leadership. What the PCS team has demonstrated to me is that there is a strong, core belief that the service and activities they perform daily, comes with a high degree of care to provide that “white glove” service they strive to provide you each and every day. My hope is to continue to build off of what is currently in place and see where we can make incremental improvements to enhance your experience. Those improvements will come in many forms, and I am confident you will feel those improvements over time.

At the center of my teams' activities, is the continued focus to help bring all of you through the digital transformation PCS began last year with tools such as *Docupace* and *Jacomo*. Like many firms in the industry, technology improvements are at the forefront of the service offering, providing all of you with the efficiencies you need to focus on activities such as, growing your business. *Docupace* and *Jacomo* will continue to be a significant part of our daily focus and strategic plan to ensure we realize our goal of an enhanced digitized experience for you. I encourage you to refer to the numerous resources currently available on the Advisor Resource Center to help you and your business to further incorporate these tools into your daily activities.

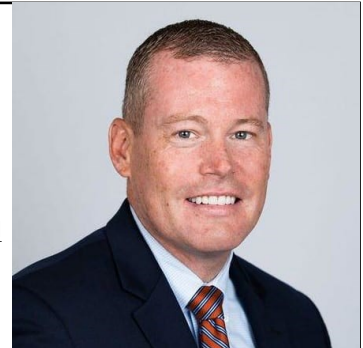
I empower my PCS team to provide feedback on anything and everything involving their experience at PCS, and I offer all of you the same. Whether your feedback is general or specific to something that serves as a roadblock to a positive service experience, please don't hesitate to contact me at tgraham@pcsb.net or (502) 992-1536.

Pershing Brokerage Best Practices

If your book of business currently holds brokerage accounts, we recommend following some best practices to quickly and efficiently monitor client accounts:

- Review Items For Attention Daily
- Review Prior Day Activity
- Monitor Order/Trade Status
- Analyze Account Balances
- Resolve Debit Balances
- Review Notifications
- Log in to NetX360 Regularly

See more guidance on the
following pages!



Tim Graham,
Chief Operations Officer



Lorna Hill
Director, Training and
Strategic Operations

Pershing Brokerage Best Practices

Items for Attention (IFA)

Items for Attention should be reviewed at the beginning of each business day, as well as throughout the day for updated or additional notices that may have been posted in NetX360.

IFA provides many features you can use to view open items and take action on them, allowing you to:

- View a summary of margin, account transfers, corporate actions, unallocated tax lot, options in the money, and other open items that affect your client's accounts.
- View open items only for a specific category.
- Access additional details for an open item, including real-time status on an account level.
- Respond to items that require immediate attention.
- Use filters to display a specific listing of accounts with open items.
- Sort information by specific criteria.

IFAs are grouped into two types: FYIs and Action Items. All IFAs are FYI type *except*:

- Margin Details
- Voluntary Corporate Actions

View Items for Attention

- Go to your NetX360 home page by clicking the **Home** tab.
- On the **Items for Attention** tile, click on the header to display a list of IFAs and click on **All IFAs** to display a summary table where you can click on a numerical value to view the details of the IFA and any action that may need to taken.

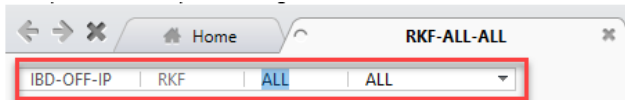
| Select: IFA Summary | | | |
|--|--------------|---|--|
| | | <input checked="" type="radio"/> View All Items | <input type="radio"/> IBD#: 52D OFF#: ALL IP#: ALL |
| Action Items | No. of Items | Pending Approval | As of Date* |
| Margin Details | 95 | N/A | 5/15/2018 |
| Voluntary Corporate Actions | 4 | | 5/15/2018 |
| FYIs | No. of Items | | As of Date* |
| 529 Plan Accounts with Uninvested Cash Balance | 9 | | 5/14/2018 |
| Account Reopening | 1 | | 5/11/2018 |
| Block Order Trading Alert | 48 | | 5/15/2018 |
| Client Correspondence Letter | 84 | | 5/11/2018 |
| Custodial Accounts - Minors Turning Majority Age | 3 | | 5/15/2018 |
| E-mail Delivery Failure | 2 | | 5/15/2018 |
| Good 'Til Cancel Expiring Orders | 2 | | 5/15/2018 |
| IRA Participant Contributions | 293 | | 5/15/2018 |
| IRS B Notices | 14 | | 5/14/2018 |
| Incoming Account Transfers | 686 | | 5/15/2018 |
| Insufficient Funds for Periodic Distributions | 6 | | 5/14/2018 |
| Mandatory Offers | 160 | | 5/15/2018 |
| Missing Account Opening Documentation | 2849 | | 5/15/2018 |
| Mutual Fund Systematic Order Reject Notification | 464 | | 5/15/2018 |
| Options in the money | 66 | | 5/15/2018 |
| Outgoing Account Transfers | 291 | | 5/15/2018 |
| Positions Missing Cost Basis | 179 | | 5/15/2018 |
| Required Minimum Distribution | 45 | | 5/15/2018 |
| Returned Mail - Lost Security Holder | 17 | | 5/14/2018 |
| UIT Termination Notifications | 15 | | 5/14/2018 |
| Upcoming Significant Client Dates | 956 | | 5/14/2018 |

* Dates in red indicate that the data is not current.
 **Trade Break information is only available at the Introducing Broker Dealer level.

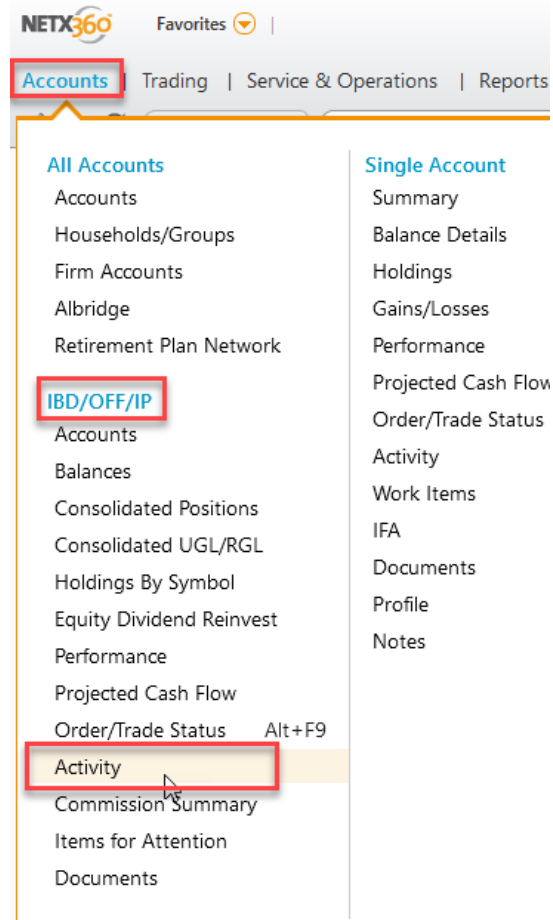
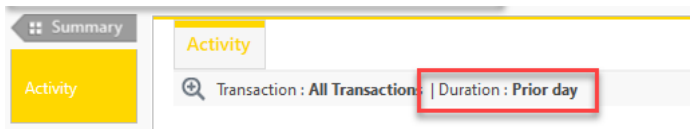
Viewing Prior Day Activity

Reviewing prior day activity daily helps the representative office to identify red flags or to monitor client activity such as income payments or check deposits.

- Within the NetX360 **Accounts** menu, select **Activity** under the **IBD/OFF/IP** submenu.
- Verify the content pass through **IBD/OFF/IP** reads as follows:



- Verify the duration of Activity is Prior Day



- Review the activity line items to confirm activity or to identify unusual activity.

Monitoring Order/Trade Status

It is the representative's responsibility to monitor client trades and the status of those trades. By viewing Order/Trade Status, a representative can identify executed, pending, canceled, dropped or rejected trades.

- Within the NetX360 **Accounts** menu, select **Order/Trade Status** under the IBD/Off/IP submenu.
- Verify the content pass through IBD/OFF/IP reads RKF/ALL/ALL.
- Review the order/trade status line items.

Analyzing Balances

By reviewing Balances, a representative can identify and clean up debit balances or review money market balances to uncover opportunities for investing. It is imperative that debit balances are resolved, as funds due related to client fees may be written off to the representative via commission deduction after 30 days.

- Within the NetX360 **Accounts** menu, select Balances under the IBD/Off/IP submenu.
- Verify the content pass through IBD/OFF/IP reads RKF/ALL/ALL.
- Locate the **Funds Due** column and click on the column header to sort in descending order.
 - You may double-click on a line item to navigate to the client workbook balances. From there, navigate to Activity to determine what is creating the debit.
 - See Resolving Debit Balances below for various solutions, depending on your client's situation.
 - Click the Back icon to navigate back to previous screens.
- Locate the **Cash Mgmt Balance** column and click on the column header to sort in descending order.
 - Review balances to determine if the cash should remain as-is, or if a client needs to be contacted.

| | CATEG. | FUNDS DUE | CASH MGMT BALANCE |
|----|--------|-----------|-------------------|
| 1 | JNTN | 3,494.92 | 0.00 |
| 2 | DLJI | 2,203.33 | 0.00 |
| 3 | JNTN | 2,162.04 | 0.00 |
| 4 | JNTN | 1,222.88 | 0.00 |
| 5 | DLJI | 1,169.48 | 0.00 |
| 6 | DLJI | 994.18 | 0.00 |
| 7 | INDV | 862.72 | 0.00 |
| 8 | DLJI | 797.05 | 0.00 |
| 9 | INDV | 765.93 | 0.00 |
| 10 | DLJI | 741.77 | 0.00 |
| 11 | TODI | 590.23 | 0.00 |
| 12 | TRST | 550.20 | 0.00 |
| 13 | DLJS | 384.23 | 0.00 |
| 14 | DLJI | 106.92 | 0.00 |
| 15 | DLJI | 64.99 | 0.00 |

Resolving Debit Balances

The following tips may be useful in collecting debit balances from your clients' accounts:

- Contact clients to request a check to cover the debit balance.
- Call clients to discuss the liquidation of positions in their account(s) to cover debit balances and document the call.
- Discuss with the client setting dividend reinvestments to cash rather than reinvest.

Reading Notifications

While Pershing offers Alerts and other notifications via NetX360, PCS also sends information out via mass email or focused email, depending on the subject matter, impact to your office and clients affected. Items that are not of an urgent matter, but still may require action are published in the PCS Newsletter. Archived copies of the PCS Newsletter may be found under the News/Updates tab within the Advisor Resource Center on the PCS website.

It is extremely important that all notifications are reviewed in a timely fashion and any action is taken, as indicated in the communication.

Logging Into NetX360 Regularly

To avoid having your NetX360 ID purged, you must log into NetX360 at least every 60 days. If the ID is purged, a new ID will have to be reestablished. It is recommended to set a calendar reminder to remember to log in

COMPLIANCE GUIDANCE:

Insurance Licensing vs. Securities Registrations Reminders

A friendly reminder, individual insurance licensing and/or state securities registrations should be sought and secured in advance of actively prospecting for business within a given state. The timing of becoming securities registered in a state and/or state insurance licensed is different than obtaining an insurance appointment with an insurance/annuity carrier. While insurance appointments can often be obtained on a “just-in-time” basis, meaning a producer can be appointed upon the first piece of business being written/submitted, the actual underlying state insurance license and securities registrations must be effective and active in advance of any recommendation or paperwork being signed.



Seth Owen
Director of Compliance

For instance, before working with a potential client or preparing account documentation for a prospect in a given state, depending on the type of business (Fixed Annuity/Life Insurance vs. Variable Annuity/VUL vs. Mutual Funds or General Securities), your state registration (and insurance license if applicable with proper line(s) of authority) within the client’s state of residence must be active. For variable annuity business you must hold both an active insurance license and state securities registration where applicable.

Please also note that some insurance/annuity carriers may require their own online product specific training courses be completed separate from what you are required to take for your standard insurance continuing education credits by your resident state. Some carriers may also request to see evidence that you’ve completed AML training, which PCS assigns each year. Providing the completion certificates for courses you’ve completed through the PCS Quest CE portal to send to a carrier can be accomplished by logging into your Quest CE profile: <https://learn.questce.com/privateclientservices/>.

While PCS offers access to insurance licensing continuing education courses currently through the PCS Quest CE portal, each individual insurance licensee is required to understand what insurance continuing education courses their state requires, and how many CE credit hours they may have left to complete prior to their insurance license renewal date. Most states have their own Department of Insurance website where you can verify the status, renewal date and your CE status at no cost. There are also central sites like <https://nopr.com> and <https://www.sircon.com/login> where you can proactively manage your existing insurance state licenses, apply for new insurance licenses or lines of authority, update your address and other tasks for states where you conduct insurance business.

Outside of PCS, those associated and registered as Investment Advisor Representatives (IAR) with an independent Registered Investment Advisory (RIA) firm, have their own obligation to properly maintain up to date advisory registrations (i.e. Series 65) in their applicable state(s). This is done via the IARD system which is a web-based electronic filing system for RIA’s and its IARs. The state(s) you should be registered as an Investment Advisor Representative can depend on a few different factors including if you are with a state registered RIA versus a SEC registered RIA, the state(s) you maintain a physical place of business, etc. At a minimum, each Investment Advisor Representative should continually maintain and renew annually their advisory registration(s) in the state(s) where your business office is located and in some instances depending on specific state rules (i.e. Texas) must notice file in the state where you render investment advice regardless of having a physical place of business in the state. Since the advisory registration is held under the independent RIA and not PCS, PCS would not have access to file or maintain those advisory registrations, state notice filing obligations or annual renewals on the RIA’s behalf. Please consult with your RIA compliance contact for additional information.

Registrations (i.e. Series 6, Series 7, Series 63/66, etc) related to PCS broker-dealer business as well as Private Client Services own RIA (PCS Advisors) are handled by the PCS Registrations team so questions should be directed to: registration@pcsb.net. For questions related to insurance appointments you may email insurancelicensing@pcsb.net. Information related to annual securities registration renewals through FINRA for 2022 will be forthcoming in the coming weeks.

COMPLIANCE GUIDANCE (CONTINUED):

Due Diligence Works

As a follow-up to Compliance Alert 2021-02 emailed to the entire field on July 23rd, 2021, if you haven't yet had the opportunity to view this helpful new research/client needs tool (Due Diligence Works) we strongly encourage you to do so. Access to the tool is available to all PCS personnel once logged onto the PCS Advisor Resource Center and clicking the icon at the bottom right of the screen:



If you haven't already viewed Compliance Alert 2021-02, you may do so via the News/Updates/Alerts tab on the Advisor Resource Center. You may also view the vendor-led training video and the FAQs which are both available on the Recommendation Guidance and Selling Agreements tabs within the Advisor Resource Center. This new internal use only tool enhances your ability to not only research ETF's, Mutual Funds and Annuities available on the PCS platform in advance of making a recommendation but also provides access to internal reports which further boost your due diligence files for these three specific product types which you may make individual recommendations on.

As the saying goes, "if its not documented, then it didn't happen". To combat that scary thought and to be readily prepared for the time that a regulatory examiner may asks for all associated notes and records to backup an investment recommendation you are encouraged to utilize this tool. Please review the Due Diligence Works FAQs on the Advisor Resource Center for additional helpful details.

Regulatory Exams

If your branch office undergoes a regulatory exam/audit (i.e. State, SEC, FINRA, etc) you have an obligation to inform the PCS Compliance Department. This includes examinations of your independent Registered Investment Advisory firm. A copy of the "closeout" or "findings" letter as well as your response to any findings should be forwarded to compliance@pcsbd.net as well as maintained in the applicable branch or OSJ's Regulatory Compliance file. If you have recently undergone a regulatory exam/audit and have not yet provided a closeout letter from that examination to PCS Compliance please do so in a timely manner as it is received.

PRD Desk Reminder - Docupace

When uploading documents to Docupace, be sure to follow the instructions located on the Advisor Resource Center. Documents not uploaded properly may cause the work item to be sent back to the rep office for correction, creating a delay in the review process and submission of your new business. PCS strives to review and process your new business applications in a timely manner, without delay as much as possible. Following the submission process, and providing complete application data is key to assisting with timely review and submission. Upload instructions are located within various resource guides located within the Docupace tab on the ARC.



Jane Vande Voort
Director Field Supervision

NEW PCS HOME OFFICE STAFF:

PCS is happy to welcome the following new team members:

Tim Graham, Chief Operations Officer: Tim's responsibilities include overseeing all facets of the operations organization now located in both the Louisville / Appleton Home Office and Operations and Service Center locations. Tim has over 20 years of industry experience, at both large independent Broker/Dealers and RIA's. Tim has a Bachelor of Science degree in Business Management from Keene State College and holds FINRA series 7, 24 & 66.

Patricia Gayle, HR Director: Patricia has broad HR experience to include payroll, benefits, talent acquisition, performance management and associate relations. She has more than 20 years of HR experience 12 of which were working within the financial services industry. Patricia graduated from the University of New Orleans with a BA in Sociology and has her SHRM CP designation. Prior to joining Private Client Services, she worked as the HR Manager at DPL Financial Partners.

Matthew Hecht, Director Advisory Operations and Technology: Matthew serves as the Director of Advisory Operations for PCS overseeing most aspects of our PCS Investment Advisory business and technology infrastructure. Over the course of almost 20 years in Financial Services, Matthew has led teams in Technology, Onboarding, Service and Operations. Prior to joining PCS, Matthew spent 13 years with LPL Financial. Matthew attended the University of North Carolina at Charlotte and currently holds his Series 7 license.

Peter McLaughlin, Compliance Surveillance Officer: Prior to joining PCS, Peter held compliance roles with Hilliard Lyons and R.W. Baird & Co., Inc. He earned a Bachelor of Arts degree from the University of Arizona and a Juris Doctor degree from the University of Louisville Brandeis School of Law. Peter is a licensed attorney and a member of the Kentucky Bar Association. He also currently holds FINRA Series 7, 24 and 66 licenses.

Bob Edler, Compliance Branch Examiner: Bob has over 25 years of industry experience at both large independent Broker/Dealers/RIAs and worked for the FINRA District office in the Kansas City . Bob most recently joined PCS from LPL Financial. He has bachelor degree in Business from the University of Kansas and a Master of Finance from Missouri-Kansas City. He holds the FINRA Series 7, 24, and 63.

Nick Moshou, Director of Trading and Operations: Nick has almost 15 years of experience in financial services including roles in Trading, Operations, AML, Compliance, Customer Service, and Technology. Nick joined PCS from Bank of America and holds FINRA series 7, 63, 24, & 4 licenses.

Other Staff updates:

- Jane Vande Voort has been promoted to Director of Field Supervision
- Cassondra Dunning has transitioned from Branch Examiner to Managing Principal

U4 UPDATE REMINDER:

Disclosure Reminder:

The FINRA form U4 must be updated in a timely manner (Usually within 30 days, but sometimes within 10 days) if any registered person has a disclosable event. These disclosable events include, but are not limited to, financial matters such as bankruptcy, compromise with creditors, or liens; legal matters; violations of industry rules; and other items related to outside business activities. Failure to disclose reportable items to the Home Office may result in delayed disclosure and significant late filing fees. Each late disclosure may result in as much as a \$1,575 late filing fee, which is the responsibility of the Representative to pay!

BUSINESS DEVELOPMENT UPDATE:

We'd like to welcome the following new groups and financial professionals to the PCS family:

| Date | Company | Registered Rep | City | State |
|-----------|---------------------------------------|-----------------------------|----------------|-------|
| 4/21/2021 | Burkholder & Associates | Nicholas Burkholder | Silver Spring | MD |
| 5/5/2021 | Generational Wealth Mgmt | David & Schyuler Wilson | Zeeland | MI |
| 6/4/2021 | Zach Wicker (RFG-Lemzar) | Zach Wicker | Birmingham | AL |
| 6/4/2021 | Willow Private Wealth (RFG) | Wes Miller & Casey Marshall | Vestavia Hills | AL |
| 6/8/2021 | River Oak Asset Advisory (RFG) | Steven Spaeth | Loveland | OH |
| 6/8/2021 | Tobias Shiner (Trutina) | Tobias Shiner | Bellevue | WA |
| 6/14/2021 | Retirement Strategies | Jay Lindner | Dublin | OH |
| 6/14/2021 | David Treft (Souders) | David Treft | Mason | OH |
| 6/21/2021 | Resolute Wealth Management (RFG) | Sean Cawley/Rory Hartmann | Brentwood | TN |
| 6/21/2021 | Apple Tree Ln Wealth Management (RFG) | Amy Nelson | Santa Fe | NM |
| 8/4/2021 | William (Bill) Fenili (Avaii) | Bill Fenili | Appleton | WI |
| 8/18/2021 | Christopher Johnson (Affiance) | Christopher Johnson | St Louis Park | MN |

MORE COMPLIANCE INFORMATION:

Recommendation Documentation Supplement (RDS) - Real Value!



John Taylor-Jones
Chief Compliance Officer

We all have been living under the new rules related to Regulation Best Interest for a little over a year now, and we have all adjusted pretty well. The initial frustration with added disclosure document delivery, different client questions, and a new sense of responsibility should now have sunk in. Now is the time to evaluate how we are doing as a firm and as financial professionals.

The biggest challenge for most financial professionals has been related to the use of the RDS. This form was created to assist with the documentation of recommendations related to account type selection and investments. Most submissions do a reasonable job identifying the reasons for an account type recommendation, but the investment side is where we need to focus. The PRD principals are seeing repeated submissions of the RDS where there are few if any alternative product considerations listed. Let's think about that for a minute.

When reviewing a client fact finder/notes from a client meeting, most PCS financial professionals are able to ascertain the product type that will best suit the client's needs and objectives pretty quickly. Why? Because you are seasoned professionals who know your products and have seen countless client situations that are similar to the current case. But that does not mean you did not consider other products. Whether you realize it or not, your brain goes through the process of eliminating certain products as you review the client needs. For example, if a client wants guaranteed income for life you will eliminate a growth stock portfolio. Even if a product does not meet the client need, if you included it in your decision making process prior to making a recommendation you should include it on the RDS under the products not presented to the client section.

Once you determine the product type there are still additional considerations to take into account. Let's say you have identified a VA as the product type that best suits your client. There are a lot of different VA companies and products to consider. You should document the different VA products you include in your review/thought process including the ones you recommend and the ones you eliminate during your analysis.

PCS knows you are going through this process, so you need to document what you are processing in your brain on the RDS. The process may seem obvious to you, but the PRD principal or industry regulator cannot read your mind. As the saying goes, "if it is not documented, it didn't happen." the same applied to the RDS, if it is not documented, the process was not followed.

The PRD Desk will be looking for complete documentation of the RDS and failure to complete the form may result in a delayed approval, or rejection of your application.

Updated Outside RIA Activity Disclosure Form

With the introduction of Docupace, the Compliance Department has made edits to the Outside RIA Activity Disclosure form that is used to disclose a new RIA account to PCS. The form no longer requires the IAR signature and allows the RIA to submit up to 6 accounts (if in the same household) on one form. (See attached)

The form is in the process of being updated within the Docupace system and should be available soon. If you wish to begin using the attached new form you may do so by uploading it into Docupace.

Please destroy/delete all old versions of this form from your branch office /computer.

We believe the new form will create better efficiency and be easier to complete.