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From The Desk Of The CEO:

Dear Stakeholders:

In the last two months, we have observed history in the making. In Ukraine, the invasion began by Russia's Vladimir Putin refusing to call a war... a war. It's a horrible thing and pray it ends soon. Sanctions of multiple democratic governments and big businesses including international banks doing business with Russia are having an effect on the US economy as we are seeing daily.

Now we are quickly experiencing inflation. Not just a little, but significant price increases on food, gasoline, and services of almost every type. The Federal Reserve has promised a series of interest rate increases to combat inflation and has delivered their first increase.

What does this have to do with PCS? Well just about everything. It's business as usual as ups and downs in the market are nothing new to our industry. Investment professionals have used charts and graphs to explain what has happened historically and how investment asset classes have responded. Market declines are historically followed by increases.

It's a great time to put money to work and there is plenty of money in our economy with more on its way due to approved record spending (like it or not) for infrastructure projects of almost every imaginable type. Airports, roads, bridges, subways, schools, etc.

Of course, couple government spending with record number of planned retirement distributions and inheritances from the Baby Boomer generation and you have the perfect situation for financial advisors being in demand like never before. After all, our ranks have been reduced by our industry's own record number of retirements. Add that to typical investor fear created by the long anticipated recent market corrections and it's time to anticipate tremendous demand of your services and PCS's product offerings.

I suspect, higher interest rates will result in a different type of war. Typically, insurance companies try to out do one another with first to the market products, living benefit riders and interest rate crediting based upon new money rate returns rather than aggregate general account portfolio returns. Proof that insurance companies are still to this day run by sales executives and not actuaries or investment department heads.



Ernest A. Sampson
Chief Executive Officer

CEO COMMENTS (CONTINUED):

If you study our industry in the eighties, that right 1980's, record interest rate increases caused all kinds of abnormalities and opportunities. Don't be surprised if new products appear relatively soon reflecting interest rate assumptions not used in years and projected into the foreseeable future.

On the regulatory front, there are new rules and regulations for our industry, one of which has been a subject of a great deal of conversation and work being done on the new rules effecting retirement plan distributions. This is not unanticipated given the expected record number of distributions anticipated and the need to oversee that senior citizens are helped with their investment decisions and not harmed in any way. PCS will be ready when the time comes for advisors to document and evidence their distribution recommendations with new technology that will make it easier to conduct business with this important regulatory initiative. More information on the new DOL exemption PTE2020-02 can be found in the Compliance Section of this newsletter.

As always, we appreciate your partnership and wish each of you a successful year and productive second quarter!

PCS HOME OFFICE EXPANSION

Thanks to all of you, PCS continues to grow, and along with growth comes the opportunity to increase the level of support we can provide. It's an exciting time at PCS!

With the addition of 7 new PCS employees in the Carolinas, we are excited to announce that PCS has expanded our home office footprint to Charlotte, North Carolina, the second largest financial center in the United States. Among other things, our hope is to leverage the robust financial services talent pool it offers to continue to grow our PCS home office team.



Tim Graham,
Chief Operations Officer

PCS opened its doors in Charlotte on March 1, 2022. The office is located at 5113 Piper Station Drive, Suite 207, Charlotte, NC. 28277.

We have also transitioned our Appleton, WI office location to a more conducive space that better fits the needs of all our 16 Appleton employees. PCS Appleton is now located at 4351 W College Avenue, Suite 420, Appleton, WI 54914.

Please refer to our website for additional contact information.

ADMINISTRATIVE UPDATE:

New Investment Advisory Representative Continuing Education Requirements

In November 2020, the North American Securities Administration Association (NASAA) adopted an investment advisor representative continuing education requirement with the goal of ensuring that advisors receive proper and updated training on the securities business relevant to their duties and fiduciary obligations. The model rule has both a products and practices component, as well as an ethics component and is intended to be compatible with other continuing education programs.

Presently, the following states have adopted the Rule: Arkansas, Kentucky, Maryland, Michigan, Mississippi, Nevada, Vermont, Washington D.C., and Wisconsin.

Please refer to the list of Frequently Asked Questions below for additional information. Further questions may be answered through the FAQ documentation on the NASAA site available via this link <https://www.nasaa.org/industry-resources/investment-advisers/resources/iar-ce-faq/> or by contacting either Mary Wescott (mwescott@pcsbd.net) or John Taylor-Jones (jtaylor-jones@pcsbd.net).



Mary Wescott,
Chief Administration Officer

What Does This Mean to Investment Advisor Representatives of PCS?

All investment advisor representatives of Private Client Services will be assigned course work to fulfill the NASAA's IAR CE requirement regardless of home state location as part of the annual Firm-element continuing education which will be rolled out in July, 2022 through our CE provider, Quest. Quest has been approved by Prometric on behalf of the NASAA as an authorized provider of investment advisor continuing education courses.

What Does This Mean to IARs of an Unaffiliated Investment Advisory Firm?

Registered representatives of PCS who are also investment advisor representatives of an unaffiliated investment advisory firm through an Outside Business Activity will be assigned the RIA courses in Quest to satisfy the IAR continuing education requirement as well.

* The IAR courses will not create additional courses since they are compatible with the BD side courses.

What is the Products and Practices Component of the CE Model Rule?

The products and practices component is designed to ensure ongoing knowledge and competency related to investment products, strategies, standards, and compliance practices relevant to the investment advisory industry.

What is the Ethics and Professional Responsibility Component of the CE Model Rule?

The ethics and professional responsibility component is designed to ensure ongoing knowledge and competency related to an IAR's duties and obligations to his/her clients, including issues related to the fiduciary duty owed to each client.

OPERATIONS UPDATE:

Utilizing Docupace

Docupace is our SEC/FINRA compliant unified workflow and document management solution for account opening, maintenance, check blotters and various compliance submissions. Compliance disclosures and check blotters have been required to be entered into Docupace since January 2021. As more and more of our advisor offices have been using Docupace, we've incorporated the feedback received into our processes, training materials and enhancements. Utilization of Docupace will be required this year for all PCS advisor offices providing service for and opening broker dealer client accounts. If your office is not yet using Docupace for client activity, we will be reaching out in the coming weeks and will work with your office to ensure your migration is successful. The previous methods of submitting business will eventually be discontinued, and notification of your required migration date will be provided, along with additional training opportunities.



Lorna Hill,
Director of Training &
Strategic Operations

NetXInvestor for Pershing PCS Brokerage Clients

NetXInvestor is a service offered by Pershing that provides clients online access to view their brokerage account activity, holdings and balances as well as subscribe to electronic delivery of account related documents including statements and trade confirmations at no additional cost.

Private Client Services has extended the amount of time a client has to login with their ID and/or enter their password from 60 and 90 days to 120 days to prevent fewer lockouts.

Enrollment in NetXInvestor

For existing accounts, to enroll in NetXInvestor, please have the client complete the Online Access and Electronic Delivery Form within Docupace under Client Maintenance Update. For clients who already have a NetXInvestor ID and simply want to add accounts to their existing ID, please have them complete the Online Access and Electronic Delivery Form. Please email this form to PCS Operations at operations@pcsbd.net for processing, with "Update" or "Additions" written at the top.

After the ID has been created, the client will receive an email notification from PCS Operations with instructions on how to log into their account. Under no circumstances do we include the client's actual User ID or password information via email.

For password resets, the client must call PCS Operations and speak with a PCS Operations Associate. After verifying the client's identity, we will reset their password. The client will be prompted to create a new password upon logging in with the temporary password. If a representative contacts the firm requesting a NetXInvestor password reset for their client, a PCS Operations Associate must contact the client via phone. After verifying the client's identity, we will inform them that their password has been reset.

OPERATIONS UPDATE (CONTINUED):

My Client View

My Client View enables you to see exactly what your client sees on NetXInvestor. This feature is useful for assisting clients with questions about the NetXInvestor website. It is view only access, and you are unable to make changes on behalf of your client using this site.

Access My Client View

From **NetX360**, click **Tools > My Client View** under Other Applications

In the **View** field, select how you want to search for the client account, and enter your search criteria in the adjacent field:

Subscriber ID – Client’s full NetXInvestor ID

Account Number – Client’s full account number

Client Name – Client’s last name

Click **Display**. A list of accounts that match your search criteria displays.

In the **Site Description** column, select the NetXInvestor site you want to view. NetXInvestor opens in a pop-up, with the selected account displayed.

PCS ADVISORS UPDATE:

New Strategic Partner - Fiducient Advisors

As PCS and PCS Advisors continues to grow and evolve, we continue to look for resources that allow us to provide a higher level of service to our advisors and partners. We have been very selective with whom we partner and value what we do for clients on a day-to-day basis and want partners that understand the advisor focus approach of the PCS family.

We have been evaluating investment consulting firms that would add to our investment research and asset allocation efforts. We focused our efforts looking for strategic partners that could add value to you and your teams.

After researching and reviewing teams and capabilities one firm stood above the rest. Fiducient Advisors (Fiducient) understood the direction we want to go with our platform and had the tools, experience, and deep knowledge to support us. Their team of over 180 professionals, including over 25 Chartered Financial Analysts (CFAs), will be consulting with us on various aspects of our platform including portfolio construction, asset allocation, manager due diligence and case support.

This is a big investment in the infrastructure of our firm, and we are excited about the additional capabilities that our partnership with Fiducient will provide for you and your clients.

For more information about Fiducient, or PCS Advisors please contact Steve (smills@pcsbd.net).



Steve Mills
Executive Director, Advisory
Services

NEW PCS EMPLOYEES



Chris Bohnert: Chris serves as a Business Development Officer consulting with advisors during their transition to independence. He has more than 25 years of experience in the financial services industry, including time as an Independent Advisor. Prior to joining PCS, Chris spent seven years with Janus Henderson Investors assisting advisors with portfolio construction and practice management. He graduated from the College of Charleston and holds the FINRA Series 7 and 63 licenses. Chris is located in the Louisville office.



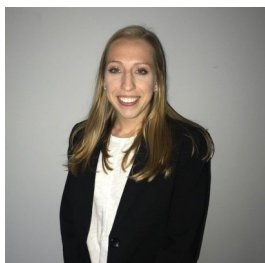
Patrick Homan: Patrick serves as a Compliance Surveillance Officer with PCS. He has almost 30 years of experience in the retail brokerage industry, which includes 15 years at LPL Financial where he served as a Registrations and Licensing Manager. In previous roles, he has served as a Chief Compliance Officer, Supervisory Principal, and Trader. Patrick graduated from the University of Northern Iowa with a bachelor's degree in Economics. He holds Series 4, 7, 24, 53, and 66 registrations. Patrick is located in the Charlotte office.



Steve Mills: Steve is the Executive Director of Investment Advisory Services at PCS. He has over 25 years of industry experience and is responsible for building strategic partnerships with best-in-class technology firms, custodians while developing a strategic roadmap to ensure financial success for our corporate and hybrid RIA partners. Prior to joining PCS, Steve worked for Apollon Wealth Management where he held CCO and COO roles helping the team grow from \$350M in AUM to over \$3B in under 3 years through organic and inorganic growth. Steve also held previous leadership roles with LPL Financial and Wells Fargo. He earned his Bachelor of Science degree from the University of North Carolina – Charlotte and holds the series 7, 9, 10, 63 and 65 licenses. Steve is located in Charleston, SC.



Zach Root: Zach serves as the Front Office Coordinator for Private Client Services. Prior to joining PCS, he served in lead roles within the areas of operations, customer service and sales. He attended Arizona State University. Zach is located in the Louisville office.



Payton Schrum: Payton serves as an Operations Specialist. Prior to joining PCS, she worked with TIAA as a Sr. Customer Advocate. She received a degree in Business Administration from North Carolina State University and currently holds her SIE, Series 6, 63 as well as State Life and Health insurance licenses.

PRINCIPAL REVIEW DESK

Mutual Fund Share Class Recommendations

When making a mutual fund recommendation, it is important to understand the client goal for the money being invested prior to determining the appropriate share class. Recommendations presented to the client should be in the best interest of those goals.

Clients with long term goals for the investment, should be given recommendations in the best interest of that long term goal, which will generally mean purchasing an A share fund. When making a C share recommendation the expectation is that you can show a documented need for a shorter-term product like a C share.

Many fund companies have policies that automatically convert C shares to A shares at a defined future point, however the client need for a shorter-term product like a C share still must be justified and documented if the client intends to purchase a C share.



Jane Vande Voort
Director Field Supervision

Ongoing mutual fund analysis and recommendations

One of the benefits of the new strategic partnership with Fiducient Advisors is their due diligence and analytics capabilities. PCS Advisors is in the process of converting higher cost mutual fund holdings in advisory accounts to lower cost advisory and institutional share classes.

Additionally, PCS has provided Fiducient with a complete list of current mutual fund holdings, both within Pershing brokerage accounts and directly held client holdings. Fiducient is in the process of evaluating these holdings as they relate to market performance as well as other funds in the same category. Fiducient will be providing this research to PCS as well as suggested alternative funds with better performance and cost structures.

PCS plans to use this information to communicate to all financial professionals so you may in turn review the information and determine with your clients if it makes sense to make changes to their current holdings. PCS believes this will be valuable information that can assist you with portfolio make-up and design going forward.

Due Diligence Works (DDW) - Approved Product Listing

PCS utilizes Due Diligence Works to provide each financial professional a quick and easy link to access the firm approved product list of Annuities, ETFs, and mutual funds. You may access the DDW site via the Advisor Resource Center and clicking on the link icon listed above.



Due Diligence Works also provides comprehensive product due diligence and information designed to assist you with product recommendations. Below is a short snapshot of some annuity products. By clicking on the product name the system will provide significantly more detail on the product. You can also do product comparisons within the system and print the results to submit with your Best Interest forms.

Name ↑	Carrier	Durations	Riders	Complexity Level	Product Score
<input type="checkbox"/> Pacific Index Foundation ▲ Indexed	Pacific Life	5, 7, 10	Interest Enhanced DB	Level 2	2.00
<input type="checkbox"/> Palladium SPIA ▲ SPIA	American National	—	—	Level 2	
<input type="checkbox"/> Perspective Advisory II ▲ Variable	Jackson National	—	5% Roll-up DBs 5% Rollup and Highest Quarterly Anniversary Autoguard 5 9 More...	Level 2	2.60
<input type="checkbox"/> Perspective II ▲ Variable	Jackson National	—	5% Roll-up DBs 5% Rollup and Highest Quarterly Anniversary Autoguard 5 9 More...	Level 2	3.40

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
11/15/2021	Transcendent Capital Group	Chad Ferrell	Edmond	OK
12/8/2021	WealthHyve Advisors, LLC	Adam Morgan	Richmond	VA
12/20/2021	Financial Network Limited (Prime)	Michael DelRe III, and Bob Pascarell, Michael Del Re, Jr.	Milford	CT
1/3/2022	Wealth & Tax Planners	Mark Greenberg	Walnut Creek	CA
1/3/2022	Marion Investment Advisors, LLC	Edward Marion	Columbia	SC
1/3/2022	Kiplinger Wealth Advisors	Brad Kiplinger	Springboro	OH
1/14/2022	2020 Financial Advisers (Prime)	Samir Thakkar, Stephen Ambrosi, Len Simpson, Tom Gibbings, Larry Palmer, Howard Buck, Tom Carreras, Karin Tyson, Naz Alavi	Costa Mesa	CA
2/22/2022	Beacon Financial Group	Brent Besinger	Aurora	OH
3/1/2022	Pei-Chin (Bonnie) Andrew - Heritage Wealth	Bonnie Andrew	Dublin	OH
3/4/2022	Christopher Hopkins (Executive Wealth)	Chris Hopkins	Venice	FL
3/11/2022	Cynthia MacLeod (Castle Rock)	Cynthia MacLeod	Asheville	NC
3/15/2022	2020 Financial Advisers (Prime)	Don Jenson, Garth Lurvey	Longwood	FL
4/1/2022	Guardian Wealth - Ingram Financial	Russell Ingram	Johnson City	TN
4/4/2022	Michael Curley (Rockport)	Michael Curley	Cincinnati	OH

COMPLIANCE UPDATE:

The first quarter has been both interesting and full of communications distributed by the Compliance Department on several important topics. Below is a summary of each topic, and the corresponding Compliance Alert is attached to the newsletter for your reference:

Compliance Alert 2022-01 Know Your Customer - This Alert was distributed to remind Financial Professionals of their obligation to comply with FINRA Rule 2090 when completing the PCS Customer Account Form, and the correlation between the Other Assets section and the financials listed on the form.

Compliance Alert 2022-02 Non-Cash Compensation - This Alert was distributed to provide clarification related to allowable and non-allowable non-cash compensation related to FINRA rules and Regulation Best Interest.

Compliance Alert 2022-03 Non-Traditional ETF Usage in Advisory Accounts - This Alert was distributed for the purpose of reminding Dually Registered Representatives who utilize leveraged and inverse ETFs in advisory accounts of their obligation to have written policies and procedures related to the oversight and daily buy/sell/hold decisions for these products due to their short (one trading day) objective.

Compliance Alert 2022-04 Variable Annuity Buyback/Conversion Offers - This Alert was distributed to notify all Financial Professionals of an updated policy and procedure related to variable annuity buyback/conversion offers, and the requirement to comply with regulation Best Interest when making a recommendation to a customer either to accept or decline the offer.

Compliance Alert 2022-05 Cybersecurity Reminders - This Alert was distributed to remind all persons to be careful when opening email related to financial aid for Ukraine, as well as to be vigilant related to identifying potential phishing emails.

Compliance Alert 2022-06 Liquid Net Worth Definition - This Alert was distributed to provide guidance on the PCS definition of Liquid Net Worth that should be used when gathering information from a client and being added to the CAF or used in recommendation decisions.

New DOL Exemption PTE 2020-02 / Upcoming new rules for Rollover Recommendations

The DOL released new guidance last year related to requirements when recommending rollover transactions from qualified retirement plans into IRAs, or from IRA to IRA. The Exemption allows a Financial Professional to receive compensation as long as certain requirements are met. These requirements are similar to Regulation Best Interest but also require some additional items.

The Exemption requires that for any rollover recommendation, that there is a documented financial comparison between the current plan and the recommended new account/investments. This means that the Financial Professional must obtain plan costs and include them in a side by side comparison to the costs and fees of the new investments.

Also required are documented disclosure of conflicts of interest for the firm and Financial Professional, and a statement identifying the firm and Financial Professional as fiduciaries for the customer.

While this seems a bit daunting at first you should feel comfortable knowing that PCS is currently reviewing new systems designed to provide a printed report for your client that meets all of the new requirements of the exemption. The due date is November, 2022. Additional information will be forthcoming once a final decision on the selected software/tool has been made.

If there are any questions, please feel free to reach out to the Compliance Department via email:

compliance@pcsb.net



John Taylor-Jones
Chief Compliance Officer