Brokerage Services Disclosure Summary

This disclosure provides information about the business practices, compensation and conflicts of interest related to the brokerage business of Sorrento Pacific Financial, LLC (referred to as "we," "us," or "SPF.) Additional information about SPF and our financial professionals is available on FINRA's website at brokercheck.finra.org.

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Item 1 Introduction

SPF is a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA). SPF is also registered as an investment adviser with the SEC. In addition, SPF is qualified to sell insurance products in all 50 states. As a broker-dealer, SPF transacts business in various types of securities, including mutual funds, exchange-traded funds (ETFs), stocks, bonds, commodities, options, private and public partnerships, variable annuities, real estate investment trusts (REITs) and other investment products.

SPF maintains a network of individuals, referred to as "financial professionals", who operate independently, as well as from the premises of unaffiliated financial institutions, credit unions or banks, through a networking arrangement with SPF. The financial professionals offer brokerage services, investment advisory services, or both, depending on their licenses. Most of SPF's financial professionals are investment adviser representatives (IARs) of SPF and a limited amount are an IAR with non-affiliated third-party investment adviser. SPF sometimes refers to these specific financial professionals as "financial advisors" or " investment advisors." SPF's financial professionals are in most cases either independent contractors, employed by the financial institution or they are SPF employees. SPF financial professionals are dispersed throughout the U.S.

Although most of our financial professionals offer both brokerage and investment advisory services, some only offer brokerage services. When you are discussing services with one of our financial professionals, you should ask in what capacity the financial professional is acting or will be acting - as a broker-dealer registered representative and/or an IAR - when providing services to you. This disclosure discusses important information regarding financial professionals who act as broker-dealer registered representatives of SPF. For more information about SPF and the services that financial professionals provide when they act as IARs, please see SPF's Form ADV disclosure brochure also available on cusonet.com/disclosures or, in the case of a financial professional who is associated with a third-party investment adviser, please refer to adviserinfo.sec.gov or contact that investment adviser for a copy of its Form ADV. For additional information on which type of investment account is right for you, please see SPF' s Form CRS (Customer Relationship Summary) also available on cusonet.com/disclosures.

Like all financial services providers, SPF and our financial professionals have conflicts of interest. SPF and our financial professionals are compensated directly by customers and indirectly from the investments made by customers. When customers pay us, we typically get paid an upfront commission or sales load at the time of the transaction and in some cases a deferred sales charge. If we are paid an upfront commission, it means that we are paid more the more transactions a customer makes and/or the larger the transactions. When we are paid indirectly from the investments made by customers, we receive ongoing compensation, typically called a "trail" payment, for as long as a customer holds an investment. In addition, we receive compensation from the sponsors of some of the investment products we offer. The amount we receive varies depending on the particular type of investment purchased. The compensation described in this disclosure represents the maximum gain or profit we receive on an investment, before deduction of our expenses.

Please also note that not all of the conflicts described in this disclosure apply to a particular financial professional, his/her services or all the products we offer. The types and amounts of compensation we receive change over time. Further, financial professionals may be paid in different manners. You should ask your financial professional if you have any questions about compensation, costs, fees, or conflicts of interest.

Item 2 Commissions, Fees, and Other Types of Sales Compensation

Commissions and Sales Charges

SPF receives upfront commissions when it executes transactions that result in the purchase or sale of a security. A commission, which also may be called a sales load, sales charge or placement fee, is typically paid at the time of the sale and can reduce the amount available to invest or can be charged directly against an investment. Commissions are often based on the amount of assets invested. SPF receives the sales charge or commission and shares it with the independent contractor, or with the financial institution in the cases where the financial professional is an employee of the financial institution. The financial institution then pays your financial professional. Alternatively, when the financial professional is an employee of SPF, or an independent contractor, we pay them directly. In some cases, a portion of the sales charge or commission is retained by the investment's sponsor. Commissions vary from product to product, which creates an incentive to sell a higher commission product rather than a lower commission product. The maximum and typical commissions for common investment products are listed below. For more information about other commissions that apply to a particular transaction, please refer to the applicable investment's prospectus or other offering document.

- **Equities and Other Exchange Traded Securities** – The maximum commission charged by SPF in an agency capacity on an exchange traded security transaction, such as an equity, option, ETF, exchange traded note (ETN,) or closed-end fund (CEF) is .5 % of the transaction amount plus $750. The commission amount decreases from 2.5% as the size of the transaction amount increases according to a schedule. In addition, a financial professional can decide to discount the commission amount to a minimum of $50 per transaction.

- **Mutual Funds and 529s** – The maximum commission or sales charge permitted under applicable rules is 8.5%, although the sales charge typically does not exceed 5.75%.

- **Annuities** – The maximum upfront commission paid for new sales of annuities is typically 7.5%, but varies depending on the contract length purchased, and type of annuity, such as fixed, fixed index, and traditional and investment-only variable annuities.

- **Alternative Investments** – For alternative investment products, such as non-traded business development companies (BDCs), or real estate investment trusts (REITs), the upfront sales load is as high as 5.5%.

- **Unit Investment Trusts (U/Ts)** – The maximum upfront sales charge paid typically ranges from 1.35% to 3.50% and will depend on the length of the term of the UIT.

Markups and Markdowns - Principal or Dealer Transactions

When SPF sells to or buys from you a bond or other fixed income security such as a structured product in a principal capacity, SPF sells the security directly to you or buys it directly from you, rather than acting as your agent to buy or sell the security from a third party. These transactions are also known as "dealer transactions." In these circumstances, if we sell a bond at a price higher than what we paid for it, we will earn a markup. Conversely, if we buy a bond from you at a price lower than what we sell it for, we will earn a markdown. Transactions in bonds and other fixed- income securities such as structured products often occur as dealer transactions. The maximum markup/markdown on a transaction with a customer that we receive when acting in a principal capacity typically does not exceed 2.5% of the value of the security. On rare occasions, a markup/markdown may exceed 2.75% on a deeply discounted security. In many cases, the actual markup/markdown percentage is lower based on factors such as quantity, price, type of security, rating, and maturity, etc.

Direct Fees and Charges

SPF is an introducing broker and carries all brokerage accounts and clears all securities transactions on a fully disclosed basis through Pershing LLC, our clearing and custodial firm. SPF also has an agreement with Quasar Distributors for the provision of fully disclosed carrying services for mutual funds.

If you hold an account through SPF with one of our custodial firms, you will be charged miscellaneous fees directly to your account such as fees for transaction processing, account transfers, and retirement account maintenance which are standard and customary. We mark up and receive a portion of many of the fees charged by Pershing and the IRA custodial fee charged by Quasar. For direct fees that apply per transaction, SPF and our custodial firms receive more fees the more transactions that result from a financial professional's recommendations. These direct fees and charges are set out in the Pershing and Quasar fee schedules and are not shared with our financial professionals and are not charged by SPF and our custodial firms if you hold an account directly with a product sponsor rather than with a SPF custodial firm.

Item 3 Third-Party Compensation

SPF and the financial institution and/or the financial professionals receive compensation from investment product sponsors and other third parties in connection with investments that SPF customers make in securities such as mutual funds, annuities, and alternative investments. Certain types of third-party compensation are received by SPF and shared with the financial institutions and/or our financial professionals, and other types are retained only by SPF. For more information about the third-party compensation SPF receives, the investment product sponsors and other third parties that pay SPF the compensation, and related conflicts of interest, please see our Investment Products and Services Overview also available at cusonet.com/disclosures.

Third-Party Compensation Shared by SPF with Financial Institution and/or our Financial Professionals

Trail Compensation

SPF and its financial professionals receive ongoing compensation from certain investment products such as mutual funds, annuities and alternative investments. This compensation (commonly known as trails or Rule 12b-1 fees) is typically paid from the assets of the investment product under a distribution or servicing arrangement with the investment sponsor and is calculated as an annual percentage of assets invested by SPF customers. The more assets you invest in the product, the more we will be paid in these fees. Therefore, we have an incentive to encourage you to purchase a product offered by a sponsor who shares a portion of their compensation with us or increase the size of your investment. The amount of trails received varies by product. This creates an incentive to recommend a product that pays a higher trail rather than a lower trail. We also have an incentive to recommend product that pays trails (regardless of amount) rather than products that do not pay trails. For more information about trail compensation received with respect to a particular investment, please refer to the prospectus or offering document for the investment.

- **Mutual Funds and 529s** – The ongoing payment depends on the class of shares but is typically between 0.25% and 1% of assets annually.

- **Annuities** – SPF receives a trail payment from an insurance company for the promotion, sale and servicing of a policy. The amount and timing of trail payments vary depending on the agreement between SPF and the issuer, and the type of policy purchased. The maximum trail payment for annuities is typically 1.25% and varies depending on the type of annuity.

- **Alternative Investments** – For alternative investment products trail payments may be as high as 1.00% on an annual basis which terminates after a stated number of years and varies per product.

Concessions and Mutual Fund Finder's Fee

In certain cases, SPF and our financial professionals receive compensation from a mutual fund sponsor in connection with transactions for which sales charges are waived or under other circumstances and as described in a fund's prospectus. This compensation is generally referred to as a finder's fee or concession and typically ranges between 0.25% and 1% of the transaction amount. SPF also receives concessions from investment sponsors for other types of investments. These concessions vary from product to product and are generally shared between SPF and our financial professionals. Concessions can be as high as 0.50% of the transaction amount for new issues of certificates of deposit, municipal bonds and other short-term dated bonds, and up to 3.75% of the transaction amount for structured products.

Life Insurance

SPF receives compensation from issuers of life insurance (universal, variable universal, whole life, and term) and other insurance contracts that are available to our customers. The compensation includes commissions and trails and for some issuers, includes payments for administrative services that SPF provides. Payments can also be made in connection with SPF's marketing, education and training efforts, including SPF conferences and events. SPF receives commissions in the range of 3% to 120% of first-year commissionable premiums. SPF may also receive a trail payment in the range of 1% to 25% of subsequent premiums, if any. The amount of commission varies depending on the issuer, coverage and the premium amount. Financial institutions and/or our financial professionals receive a percentage of the commissions and trailing commissions an insurance company pays to SPF. We also receive additional compensation from certain insurance companies when SPF sales of the companies' products exceed premium thresholds specified in selling agreements with SPF.

Lastly, when our financial professionals use an Independent Marketing Organization (IMO) with which SPF has a contract, we receive the additional compensation from the IMO rather than from the insurance company. This additional compensation from the IMO can apply to transactions where the financial professional is paid directly from the insurance company.

Bonus Payments from Investment Sponsors

Certain insurance companies offer our financial professionals bonus payments, often times called persistency or retention bonuses, based on the amount of customer assets that the financial professional has placed in the insurance company's products. Although SPF does not participate in these bonus programs SPF may from time to time accept and share these payments on a one-time basis with a financial professional who recently joined SPF and was entitled to such payments through the financial professional's former brokerage firm.

Non-Cash Compensation

SPF and our financial professionals receive non-cash compensation from investment sponsors that is not in connection with any particular customer or investment. Compensation includes such items as gifts valued at less than $100 annually, an occasional dinner or ticket to a sporting event, or reimbursement for expenses in connection with educational meetings, customer workshops or events, or marketing or advertising initiatives, including services for identifying prospective customers. Investment sponsors also pay or reimburse SPF and/or our financial professionals, for the costs associated with education or training events that may be attended by SPF employees and financial professionals and for SPF sponsored conferences and events.

Third-Party Compensation Retained by SPF

Cash Sweep

SPF, through our clearing firm, Pershing, offers a cash sweep program to automatically move (sweep) uninvested cash balances held in brokerage accounts into either an interest-bearing Federal Deposit Insurance Corporation ("FDIC") insured deposit account through a Dreyfus Insured Deposits Program or a money market mutual fund, depending on the account type. Generally, each account is eligible for a single sweep product chosen specifically for that account type. Retail individual brokerage accounts (including investment advisory accounts), and business advisory or brokerage accounts are swept to the Dreyfus Insured Deposits P – Tiered Rate Product ("DIDP"), individual retirement accounts (IRAs) other than SIMPLE IRAs (SEPs) are swept to the Dreyfus Insured Deposits LF – Level Fee Product ("DILF"), and all ERISA Title I accounts are swept to the Dreyfus Government Cash Management – Investor Shares ("DGVXX") money market mutual fund.

For deposit accounts in the DIDP program, Pershing receives a fee from each participating bank receiving swept funds (each a "Program Bank") equal to a percentage of the average daily deposits at the Program Banks. Pershing shares the fee with SPF and a third-party administrator. The combined fee paid to SPF, Pershing, and the administrator will not exceed 4% per year on the average daily balances held in all deposit accounts taken in the aggregate.

For IRAs, SPF receives a level monthly fee for each IRA that participates in the DILF program. The amount of this fee is determined based on a fee schedule indexed to the Federal Fund Target Rate published by the Federal Reserve System. The per account monthly fee will be no less than $0.75 and no more than $43.93. It is generally anticipated that the fee SPF charges will be offset by the total amounts paid to us by the Program Banks. If SPF does not receive sufficient payments each month from the Program Banks, SPF reserves the right to debit your IRA account for the amount of any shortfall.

Your deposits at each Program Bank are limited to $246,500, or $493,000 for a joint account (98.5% of the deposit insurance limit). Once this amount is reached at a Program Bank, additional amounts are deposited in subsequent Program Banks in amounts not to exceed $246,500 at each Program Bank. Any amounts deposited above the $2.490 million program maximum ($4.980 million for joint accounts) will be placed in shares of the DGVXX money market mutual fund and will not be covered by FDIC insurance.

For additional information on the DIDP and DILF program, please see the disclosure statement and terms and conditions booklets available on cusonet.com/disclosures.html.

The DGVXX money market mutual fund is eligible for protection by the Securities Investor Protection Corporation ("SIPC"). SIPC does not protect against the rise and fall in the value of investments.

You may elect to turn off (i.e., opt out of) the automatic sweep feature by contacting your financial professional. If you opt out, any cash balances in your account will remain as free credit balances and will not earn interest or be eligible for FDIC insurance but will remain eligible for SIPC coverage if maintained for the purpose of purchasing securities.

Depending on interest rates and other market factors, the yields on the DIDP and DILF will be higher or lower than the aggregate fees received by SPF for your participation in the sweep programs. When yields are lower, this results in a negative overall return with respect to cash balances in a sweep program. Interest rates applicable to DIDP or DILF are often lower than the interest rates available if you make deposits directly with a bank or other depository institution outside of SPF's brokerage platform or invest in a money market mutual fund or other cash equivalent.

SPF receives more revenue when cash is swept into DIDP or DILF than if your cash was invested in other products, including money market mutual funds. Therefore, SPF has an incentive to place and maintain your assets in the DIDP and DILF programs to earn more income, which creates a conflict of interest. A further conflict of interest arises as a result of the financial incentive for SPF to recommend and offer the DIDP due to SPF's control of certain functions. SPF sets the interest rate tiers and the amount of the fee it receives for the DIDP, which generates additional compensation for SPF. The compensation SPF receives for DIDP and DILF is in addition to any remuneration SPF and your financial professional receive in connection with other transactions executed within your account for which commissions or other charges apply. We mitigate these types of conflicts by ensuring that your financial professional does not receive any compensation from these sweep payments, and by maintaining policies and procedures to ensure that any recommendations made to you are suitable, or in the case of a retail investor, in your best interest. You should compare the terms, interest rates, required minimum amounts, and other features of the sweep program with other types of accounts and investments for cash. The sweep products have limited purpose and are not meant as a long-term investment or a cash alternative.

The DIDP and DILF programs are available only to clients of broker-dealers such as SPF that clear through Pershing. Pershing is a wholly owned indirect subsidiary of The Bank of New York Mellon Corporation and is affiliated with (a) The Bank of New York Mellon, a NY state-chartered bank, and BNY Mellon, National Association, a national banking association, both of which participate as Program Banks in DIDP and DILF, (c) Dreyfus Cash Solutions, a division of BNY Mellon Securities Corporation, which is a service provider for DIDP and DILF, and (c) Dreyfus, a division of BNY Mellon Investment Adviser, Inc. and the investment manager of the Dreyfus money market mutual fund made available to accounts not eligible for DIDP or DILF.

Pershing Clearing Relationship

Pershing also pays fees to SPF, or shares fees it earns with SPF, for the following items:

- Transition assistance in the form of reimbursement of (a) reimbursement of IRA termination fees of up to $165 per account for a retirement account transferred to Pershing and up to $125 per retail account for retail accounts transferred to Pershing, or (b) a payment based on the value of assets transitioned, or (c) some combination of fee reimbursements and a payment based on the value of the assets transitioned;

- A growth assistance credit for seven years to support, service, and grow brokerage assets on the Pershing platform;

- A portion of certain brokerage account services and custodial fees charged to customer accounts that exceeds the amount that we are required to pay Pershing for such services, including account transfer fees, IRA custodial and termination fees, paper confirm and statement fees, inactive (custodial) account fees, retirement account maintenance fees, and margin interest.

- A portion of shareholder servicing fees from certain mutual fund sponsors as part of their FundVest® No Transaction Fee program (FundVest) as described below.

In the FundVest program, Pershing receives shareholder servicing fees from participating funds and a portion of those fees are shared with SPF. Our receipt of a portion of the FundVest funds' service fees creates a conflict of interest because we have an incentive to invest your assets or to recommend that you purchase or hold these mutual funds that pay fees to SPF over other funds that do not pay these fees. We do not share these fees with our financial professionals.

Most FundVest funds have higher internal expenses than funds that are not in the FundVest program, and the share classes of funds in the program have higher internal expenses than share classes not in the program. The higher internal expenses will reduce the long-term performance of an account when compared to an account that holds lower-cost share classes of the same fund. FundVest funds held less than six months are also subject to a short-term redemption fee of $50. Further information regarding mutual fund fees and charges is available in the applicable mutual fund prospectus. For a list of funds participating in the FundVest program, please contact us or your financial professional.

Revenue Sharing Payments

SPF receives revenue sharing payments from investment sponsors who participate in SPF's sponsorship programs called the Partners Program. Investment sponsors make these payments to incentivize SPF to promote their products, and the sponsors receive preferential treatment as a result of the payment. Preferences include supporting SPF's product marketing, education and training efforts for financial professionals so that investment sponsors can communicate with financial professionals and employees and promote their products. These payments are typically calculated as a fixed fee, as an annual percentage of the amount of assets invested, as a percentage of annual new sales, or as a combination of the foregoing.

- **Mutual Funds** – SPF receives compensation of up to 0.032% on an annual basis of customer assets invested with certain mutual fund families and up to 0.20% on sales. In some cases, SPF also receives flat annual payments at the discretion of certain fund sponsors as support for SPF's product marketing and the education and training efforts for financial professionals in connection with the sale of their products.
- **Variable Annuities** – SPF receives compensation up to 0.25% annually based on sales.
- **Fixed Annuities** – SPF receives payments of up to 0.25% annually on sales.
- **Fixed Index Annuities** – SPF receives payments of up to 0.75% annually on sales.
- **Alternative Investments** – For certain alternative investments, SPF receives compensation directly from the investment sponsor, and not as a portion of the upfront commission or trail. These fees can be paid on an annual basis of up to 0.35% of customer assets invested and up to 1.00% of sales in alternative investments, such as managed futures funds, non-traded REITs, and BDCs.
- **UITs** – SPF receives fees, often referred to as volume concessions, from UIT sponsors that are based on a percentage of sales volume. These fees are set by the UIT sponsor and vary. The UIT prospectus contains detailed descriptions of these additional payments.

As part of our Partners Program, we prepare and make available to our financial professionals a quarterly list of Partners' mutual funds and ETFs that have been screened for investment performance against other Partners' funds with similar objectives and asset classes (the "Select Fund List" or "List"). SPF and our financial professionals have a conflict of interest when a financial professional chooses or recommends an investment from the Select Fund List for your portfolio because SPF receives revenue sharing fees from the mutual fund or ETF sponsor. Our receipt of revenue sharing fees influences our selection of mutual funds and ETFs, as our financial professionals are likely to recommend a fund or ETF whose sponsor pays us revenue sharing fees over a fund or ETF whose sponsor does not pay us.

Investment sponsors pay SPF different amounts of revenue sharing and receive different levels of benefits for such payments. Because these fees can vary by fund and share class of a fund, SPF has an incentive to recommend a fund or share class that pays more in revenue sharing than a fund or share class that pays a lower amount. SPF does not share these revenue sharing payments with financial professionals.

Ad Hoc Reporting

SPF receives up to $5,000 per sponsor annually from various mutual fund, ETF and annuity investment sponsors in exchange for access to business intelligence and ad hoc reporting relating to financial professionals.

Collateralized Lending Arrangements

SPF offers a program that enables customers to collateralize certain investment accounts to obtain secured loans through a program we offer through Pershing called LoanAdvance. In LoanAdvance, customers are charged a rate of interest equal to the prime rate for all loan amounts. Neither SPF nor the financial professional receives a portion of this fee. LoanAdvance may not be appropriate for all investors and the risks should be carefully evaluated. You may be required to deposit additional funds or marginable securities into your account. SPF and our financial professionals have an incentive to recommend that customers borrow money rather than liquidating some of their account assets so that SPF and our financial professional can continue to receive brokerage commissions and fees on those assets.

We also offer Pershing's Fully Paid Securities Lending program, which enables qualified customers to lend fully paid-for securities to Pershing. Pershing earns revenue from lending these securities and a portion of that revenue is shared with the customer, SPF and your financial professional. SPF and your financial professional shares in 5% of the revenue received. We have an incentive to encourage customers to hold a security in their account rather than liquidate it so that we and our financial professionals can continue to receive compensation.

Item 4 Product Costs and Related Conflicts

Our financial professionals provide recommendations with respect to a broad range of investment products, including stocks, bonds, ETFs, mutual funds, annuities and alternative investments. Each type of investment product carries unique risks, and many investment products charge fees and costs that are separate from and in addition to the commissions and fees that SPF and our financial professionals receive. You can learn more about these risks and the fees and costs charged by an investment product by reviewing the investment product's prospectus, offering memorandum, or other disclosure documents. Set out below is the typical range of expenses of the various investment products we sell. In most cases, these expenses are in addition to the commissions and fees that SPF receives for our brokerage services.

- **ETFs** – The expense ratios range from 0.05% to 1.0%, with an average expense ratio of around 0.44%.
- **Mutual Funds** – Expense ratios can vary based on the type of mutual fund purchased. The average expense ratio for actively managed funds is 0.5% to 1.5%.
- **Annuities** – The typical range of annual expenses associated with annuities is 0.60% to 5.00% dependent upon the combination of options selected by the investor including the type of annuity (variable annuities have a mortality and expense fee whereas fixed index annuities do not), optional riders elected (living and/or death benefits), and investment options where applicable (subaccounts or models for variable annuities).
- **Alternative investments** – The typical range of annual expenses, excluding any commissions or dealer manager fees, is 0.80% to 6.00% which may include management fees, acquisition fees, disposition fees, performance participation fees, organization and offering fees, acquired fund fees and expenses, or interest payments on borrowed funds.
- **UITs** – Typical annual operating expenses for UITs range from 0.20% to 0.40%. Equity UITs usually comprise the low end of the range while UITs whose trust consist of a basket of closed-end funds typically comprise the high end of the range.

Share Class and Fund Selection

SPF offers various share classes of mutual funds and 529s. As an example, certain mutual fund share classes, often referred to as Class A shares, charge an upfront sales charge and an ongoing trail. For other mutual fund share classes, often titled Class C shares, there is no upfront sale charge paid, however, there is an ongoing trail payment and a contingent deferred sales charge (CDSC) to the customer if there is a redemption within a certain period of time after purchase. Depending on the length of the holding period for the mutual fund or 529, and other factors, one share class may be less expensive to you than another, and SPF and your financial professional may earn more or less in compensation for one share class than another. Because of their characteristics and sales load structure, mutual funds generally are longer term investments. Frequent purchases and sales of mutual funds can result in significant sales charges unless the transactions are limited to exchanges among mutual funds offered by a sponsor that permits exchanges without additional sales charges. SPF maintains policies and procedures that are designed to detect and prevent excessive mutual fund switching, but you should monitor your account and discuss with your financial professional any frequent mutual fund purchases and sales.

Some share classes or funds we offer do not charge or pay to us an upfront sales charge and pay us ongoing trails of 0.25% or less annually ("noload funds"). SPF generally does not make no-load funds available. Because of the limited compensation from no-load funds, we have an incentive to limit the availability of no-load funds we offer and to recommend you invest in funds that impose sales charges and trails.

SPF offers various mutual funds and ETFs, some of which have similar or identical investment strategies but differing fee structures. For example, a mutual fund that is designed to track an index of securities, such as the S&P 500 Index, may have higher or different types of fees than an ETF that is designed to track the same index. Whether a fund or ETF is more expensive than another fund or ETF with a similar or identical investment strategy may depend on factors such as length of holding, size of the initial investment and other factors. SPF and your financial professional may earn more compensation for one fund or ETF than another, giving SPF and your financial professional an incentive to recommend the product that pays more compensation to us.

Product-Related Compensation Conflicts

Our financial professionals offer a wide array of investment types to meet your needs. Within each investment type, there are many specific products that a financial professional can recommend. For instance, there are many mutual funds options, some of which have similar investing strategies, performance, and portfolios. The compensation we receive differs from product to product, and we can receive different compensation from different product sponsors in the same product type. This creates a conflict of interest for us because we have an incentive to sell you a higher commission or fee product rather than a lower commission product. Information regarding the specific fees you pay for a transaction is found on the trade confirmation receive. Additional information about the fees a product sponsor pays us and your financial professional is found in the prospectus or offering materials that are provided to you.

We will make recommendations to you based on (a) the information you provide and (b) our assessment of a product's or service's potential risks, rewards, and costs. If you would like to know why a recommendation was made, please ask your financial professional. When your financial professional recommends a particular product to you, he or she is recommending that specific product because he or she has determined that the recommendation is in your best interest at the time of the recommendation, based on the information you have provided and your financial professional's assessment of the product's or service's potential risks, rewards, and costs. It is your responsibility to update and keep the information that you provide to us and your financial professional accurate. Additionally, if you choose not to follow a recommendation made by us or your financial professional, you are fully responsible for the potential risks and losses that can result from your decision, including any result that is not in accordance with the best interest standard.

Item 5 Other Compensation and Other Conflicts

Mutual Fund Platforms

If purchasing mutual funds through SPF' two custodial firms, Pershing and Quasar (fundVISION accounts), a customer's fees may vary. The fees a customer will pay and the range of investment products and services that will be available to a customer will differ depending on whether a customer opens a Pershing account or a fundVISION account. If you invest only in mutual funds, you will generally pay lower fees (e.g., transaction fees, IRA custodial fees, inactive account fees) if you open a fundVISION account than if you open a Pershing account. SPF will likely receive greater compensation if you invest through a Pershing account than if you invested through a fundVISION account. This creates an incentive for SPF to recommend a Pershing account over a fundVISION account for investing in mutual funds. You should also understand that, although you may pay higher fees to invest in mutual funds through a Pershing account than through a fundVISION account, Pershing accounts offer a wider range of investment products (not just mutual funds) and services than do fundVISION accounts, which only offer mutual funds. None of these fees for either platform are shared with your financial professional. If you invest in mutual funds through a direct product provider, you would be subject to their fee schedule and any such fees are not shared with SPF.

Margin

SPF offers customers the ability to purchase securities on credit, also known as margin purchases through Pershing brokerage accounts. When a customer purchases security on margin, Pershing extends a line of credit to the customer and charges interest on the margin balance. SPF has a financial incentive to encourage margin borrowing because SPF earns compensation from Pershing in the form of interest, transaction charges and other fees on investments made with borrowed amounts. That financial incentive creates a conflict of interest insofar as SPF benefits from your decision to borrow and incur the various fees and interest described above. If contemplating use of margin, please consult the SPF/Pershing Margin Agreement and related disclosures for additional details including risks associated with margin, eligibility requirements and costs. None of these fees derived from margin accounts are shared with your financial professional.

Error Corrections

If a customer holds an account through SPF at Pershing or Quasar (fundVision) and a trade error caused by SPF occurs in the account, SPF will cancel the trade and remove the resulting monetary loss to a customer from the account. If a trade correction is required as a result of a customer (e.g., if a customer does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), SPF will cancel the trade and any resulting monetary loss will be borne by the customer. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the account and may result in a financial benefit to SPF.

Rollovers

If a customer decides to roll assets out of a retirement plan, such as a 401(k) plan, and into an individual retirement account (IRA), we have a financial incentive to recommend that a customer invests those assets through SPF, because we will be paid on those assets, for example, through commissions, fees, and/or third party payments. A customer should be aware that such fees and commissions likely will be higher than those the customer pays through their plan, and there can be custodial and other maintenance fees. As securities held in a retirement plan generally cannot be transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.

The following fiduciary acknowledgement applies only when our Financial Professional (i) provides investment advice to participants in or the fiduciaries of ERISA-covered retirement plans and to owners of IRAs, and (ii) recommends to participants in ERISA-covered retirement plans or owners of IRAs to make a rollover to an IRA.

When we provide investment advice to you regarding your retirement plan account or IRA, we are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. Fiduciary status for this purpose does not necessarily mean we are acting as fiduciaries for purposes of other applicable laws. This acknowledgement of fiduciary status does not confer contractual rights or obligations on you, the Firm, or the Financial Professional.

Limitations on Investment Products and Services Offered by Your Financial Professional

SPF and our financial professionals offer and recommend investment products only from investment sponsors with which SPF has entered into selling and distribution agreements. Other firms may offer products and services not available through SPF or the same or similar investment products and services at lower cost. In addition, SPF may only offer certain products in a brokerage account, even though there is a version of the product that may be offered at a lower cost through an advisory account, and vice versa. The scope of products and services offered by certain financial professionals may also be more limited than what is available through other financial professionals. A financial professional's ability to offer individual products and services depends on his/ her licensing and training or firm office policy restrictions. For example, a financial professional maintaining a Series 6, Series 63, and life insurance agent license is limited to providing investment company securities, such as mutual funds and UITs and variable annuity contracts. A financial professional maintaining a Series 7, Series 63, and life insurance agent license is able to provide solutions including all securities available for sale by a Series 6 representative as well as individual stocks, bonds, and alternative investments, among others. As another example, a financial professional may only be licensed to provide brokerage services, and not advisory services, or vice versa. To provide investment advisory services, a financial professional is often required to be registered as an IAR with the state in which the financial professional has a place of business.

You should ask your financial professional about the securities or services he or she is licensed or qualified to sell, and his or her ability to service investments that you transfer to SPF from another firm. You should also review the licenses held by your financial professional by visiting the FINRA BrokerCheck system at brokercheck.finra.org.

Item 6 Financial Professional Compensation, Fees and Related Conflicts

Some SPF financial professionals offer brokerage and advisory services to customers of unaffiliated financial institutions, like banks and credit unions. Some of the financial professionals are employed by the financial institution and others are employed by SPF; a few are independent contractors. SPF shares compensation with the financial institution, including a portion of the commissions and fees the financial professional generates. Where the financial professional is employed by the financial institution, the financial professional is compensated (e.g., in the form of salary, bonus, compensation based on commissions, etc.) by the financial institution in accordance with the terms agreed upon between the financial institution and the financial professional and approved by SPF (which vary depending on each financial institution and employee). Where the financial professional is not an employee of the financial institution, the financial professional is compensated in accordance with the terms agreed upon between SPF and the financial institution, which may vary depending on roles and responsibilities of the financial professionals. Whether employed by the financial institution or SPF, the amount of compensation paid to the financial profession is typically between 25% to 45% and with the financial institution receiving between 0% to 100% (depending on which entity is paying the financial professional and the type and volume of investment product sales) of the commissions and ongoing trail payments that SPF receives in connection with the investments. In either case, compensation can vary depending on the investment product or service recommended. The financial institution can limit the types of products and services that may be sold by a financial professional. Where the financial professional is not offering services to customers of financial institutions, the financial professional is compensated in accordance with the terms agreed upon between SPF and the financial professional, with the financial professional receiving between 0% and 100%.

Cash Compensation

SPF typically pays the financial institution and/or the financial representative a percentage of the revenue that the financial professional generates from sales of products and services conducted remotely or on the financial institution premises. The percentage received can vary (amounts noted above) depending on agreements between SPF and the financial institution or financial representative, as well as the investment product or service provided and can be more or less than the compensation paid at another brokerage firm. The payments can include a bonus that is based on the amount of assets serviced or revenue generated by the financial professional. When compensation is based on the level of production or assets, the financial professional has a financial incentive to meet those production or asset levels. SPF, and the financial institution, has an obligation to supervise financial professionals and may decide to terminate a financial professional's association with SPF and/or the financial institution based on performance, a disciplinary event or other factors. The amount of revenue a financial professional generates creates a conflict of interest when considering whether to terminate a financial professional.

Other Benefits

Financial Institutions and financial professionals are eligible to receive other benefits based on the revenue generated from sales of products and services. These benefits present a conflict of interest because a financial institution and the financial professional have an incentive to remain with SPF in order to maintain these benefits. These benefits include eligibility for practice management support and enhanced service support levels that confer a variety of benefits, conferences (e.g., for education, networking, training, and personal and professional development), and other non-cash compensation. These benefits also include free or reduced cost marketing materials, reimbursement or credits of fees that financial institutions and/or financial professionals pay to SPF for items such as administrative services or technology.

Fees Charged to Financial Professionals

SPF charges our financial institution and/or the financial professionals various fees including trade execution, administrative services, insurance, certain outside business activity related supervision, technology and licensing. Depending on the situation, these fees make it more or less profitable for a financial professional to offer and recommend certain services or products over others. In certain cases, these fees are reduced based on a financial professional's overall business production or the amount of assets serviced by the financial professional, which gives the financial professional an incentive to recommend that you invest more in your account or engage in more frequent transactions.

Recruitment Compensation and Operational Assistance

If a financial institution or independent financial representative recently became associated with SPF after working with another financial services firm, the financial institution or financial representative may receive compensation for transition assistance from SPF in connection with the transition. In many cases, this transition assistance includes payments from SPF that are commonly intended to assist a financial institution and/or financial professional(s) with costs associated with the transition; however, SPF does not verify that all payments made are actually used for transition costs. In certain situations involving the transfer of customer accounts from a third party platform to SPF's platform, the existing financial institution or financial representative is eligible to receive a flat-dollar amount of to assist with offsetting the estimated time and expense he/she incurs to complete the account transfer process, as well as, replacing marketing and sales material with the new disclosure information.

The amount of recruitment compensation is often significant in relation to the overall revenue earned or compensation received by the financial institution. Such payments are generally based on the size of the financial institution or financial representative’s business established at the prior firm, for example, a percentage of the revenue earned, or assets serviced at the prior firm, or on the size of the assets that transition to SPF. The receipt of this compensation creates a conflict of interest in that the financial institution or financial representative has a financial incentive to recommend that a customer open and maintain an account with SPF for advisory, brokerage and/or insurance services, and to recommend switching investment products or services where a customer's current investment options are not available through SPF, in order to receive the this type of benefit or payment.

A Financial Professional's Outside Business Activities

Financial professionals are permitted to engage in certain SPF-approved outside business activities other than the providing of brokerage and advisory services through SPF, and in certain cases, a financial professional receives more compensation, benefits and non-cash compensation through an outside business activity than through SPF. Some financial professionals are real estate agents, insurance agents, or tax preparers, and some financial professionals refer customers to other service providers and receive referral fees. As an example, a financial professional could provide advisory or financial planning services through an unaffiliated investment advisory firm.

In addition, a financial professional may sell insurance through an insurance agency not affiliated with SPF. In those circumstances, the financial professional would be subject to the policies and procedures of the third-party insurance agency related to the sale of insurance products and would have different conflicts of interest than when acting on behalf of SPF. A financial professional may receive compensation, benefits and non-cash compensation through the third-party insurance agency and may have an incentive to recommend you purchase insurance products away from SPF.

If you contract with a financial professional for services separate or away from SPF, you may wish to discuss with them any questions you have about the compensation they receive from the engagement. Additional information about a financial professional's outside business activities is available on FINRA's website at brokercheck.finra.org.

Compensation for Other Services

SPF and our financial professionals can offer various types of advisory and brokerage programs, platforms and services, and earn differing types and amounts of compensation depending on the type of service, program or platform in which you participate. This variation in compensation can incentivize a financial professional to recommend services, programs or platforms that generate more compensation for SPF and the financial professional than others. For example, if you expect to trade securities frequently in your account, a brokerage account in which you pay a commission for each transaction may generate more compensation for your financial professional than an advisory account that generates compensation in the form of investment advisory fees.

Item 7 Massachusetts Fiduciary Rule

The Massachusetts Securities Division has adopted amendments to its regulations as they relate to the standard of conduct applicable to broker-dealers and agents ("MA Fiduciary Rule"). In accordance with the MA Fiduciary Rule, we and our financial professionals will act without regard to the financial or other interest of any party (including our own) other the customer when making an investment recommendation to covered Massachusetts customers. Covered customers are defined as current and prospective customers including both natural and non-natural persons that do not qualify as institutional buyers.Additionally, we will disclose all material conflicts of interest and have made and will continue to make all reasonably practicable efforts to avoid conflicts of interest, eliminate conflicts that cannot reasonably be avoided, and mitigate conflicts that cannot reasonably be avoided or eliminated. The MA Fiduciary Rule does not impose an ongoing fiduciary duty beyond the time that a recommendation is made unless we have: (1) discretionary authority in an account (excluding discretion that relates solely to the time and/or price for the execution of the order), (2) a contractual fiduciary duty, or (3) a contractual obligation to monitor a customer's account on a regular or periodic basis. While the standard of conduct for broker-dealers and agents in the MA Fiduciary Rule does not apply to investment advisers or investment adviser representatives, investment advisers and investment adviser representatives are separately held to a fiduciary conduct standard under Massachusetts and federal laws. SPF does not permit its financial professionals to use investment discretion in a brokerage account or agree to a fiduciary duty or to contractually agree to monitor accounts in a brokerage relationship.

Item 8 Other Financial Industry Affiliations

SPF is an indirect wholly owned subsidiary of Atria Wealth Solutions, Inc. (Atria), a privately-owned company. As a subsidiary of Atria, SPF is affiliated with other financial services companies including CUSO Financial Services, LP, a broker-dealer and SEC registered investment adviser, CFS Insurance & Technology Services, LLC (CITS), an insurance agency, NEXT Financial Group, Inc. a broker-dealer and SEC Registered Investment Advisor, NEXT Financial Insurance Services Company, an insurance agency, Cadaret, Grant & Co., Inc., a broker-dealer and SEC Registered Investment Advisor, Cadaret, Grant Agency, an insurance agency, Sorrento Pacific Financial, LLC, a broker-dealer, SEC Registered Investment Advisor and insurance agency, SCF Securities, Inc. a broker-dealer, SCF Investment Advisors, Inc., SEC Registered Investment Advisor and Western International Securities, Inc. a broker-dealer, SEC Registered Investment Advisor and insurance agency.

This Brokerage Services Disclosure Summary is subject to change. SPF may not notify you when these changes are made. To obtain a current version or for additional information, please refer to our website at cusonet.com. If you are unable to access the website or require paper copies of any documents referenced here, please contact your financial professional.