

# Professional Trading Services Brokerage, LLC

Part 2A of Form ADV: Firm Brochure

March 9, 2024



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**This brochure provides information about the qualifications and business practices of Professional Trading Services Brokerage, LLC. If you have any questions about the contents of this brochure, please contact us at (856) 802-9400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Professional Trading Services Brokerage, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Registration does not imply any level of skill or training.**

## Item 2: Material Changes

There have been no material changes made to Professional Trading Services Brokerage, LLC's firm brochure since our last update on September 22, 2023.

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## Item 4: Advisory Business

Professional Trading Services Brokerage, LLC is a registered investment adviser in New Jersey, the state of our principal office, and other states as may be appropriate under applicable state registration laws. Also, the firm's investment professionals are individually registered as advisory representatives in states, if and where required. Jeremy J. Schank, EA is the CFO, and Co-CCO. Brad W. Schank, EA is the COO, and Co-CCO. They are the only two principal owners. Our firm has been in business since 2001, when it was founded by Richard W. Schank. Richard remains registered with the firm as an investment advisor representative and continues to serve his clients.

Our firm has a strong reputation based on the professionalism and high standards of the firm and our employees. The firm's reputation and our advisory client relationships are the firm's most important assets. We offer investment supervisory and money management services, investment advice, and financial planning to our clients. We do not specialize in any one type of advisory service but the majority of our revenue is generated through management fees charged for money management services.

Professional Trading Services Brokerage, LLC tailors its investment advisory services to the individual needs of clients. First, clients may impose restrictions and guidelines by including such instructions on Schedule B of the client agreement or by contacting our office and making such request. These instructions are noted and followed in all investment decisions and recommendations. Our new account application also requires certain vital suitability information be gathered before opening an account. This information is considered when subscribing the client to a certain strategy or asset allocation. Finally, the client is required to notify our firm of any expected withdrawals or checks to be drawn against his/her account. This will dictate certain investment decisions and strategies designed to provide liquidity for such clients, when needed.

Our firm does not currently, but in the future may allocate a client's investment assets among unaffiliated investment advisors. Such allocations are made based on the client's investment objectives and risk tolerance. In such situations, the selected advisor will have discretionary authority over the allocated assets and maintain the account on a day-to-day basis while we continue to render investment advisory services relative to ongoing review of performance and asset allocation.

Professional Trading Services Brokerage, LLC does not sponsor or participate in any wrap fee programs.

As of December 31, 2023 Professional Trading Services Brokerage, LLC's assets under management (AUM) are as follows:

Discretionary.....	\$78,900,000
Non-Discretionary.....	\$1,700,000

## Item 5: Fees and Compensation

For discretionary accounts, Professional Trading Services Brokerage, LLC charges management fees according to the schedule below. These fees are negotiable depending on type of service chosen.

	<b>Portfolio Value</b>			<b>Fee</b>
The First	\$0.00	to	\$250,000.00	1.75%
The Next	\$250,000.00	to	\$500,000.00	1.50%
The Next	\$500,000.00	to	\$1,000,000.00	1.25%
The Next	\$1,000,000.00	to	\$2,000,000.00	1.00%
The Next	\$2,000,000.00	and Above		0.75%

\*Example of a Quarterly Tiered Fee Computation on a \$500,000.00 account:  
[(1.75% x \$250,000) + (1.50% x \$250,000)] divided by 4

The management fee is payable quarterly in arrears and is deducted directly from the account. In any partial calendar quarter, the management fee will be prorated based on the number of days that the account was open during the quarter.

Clients may incur certain charges imposed by third parties such as custodial fees, charges imposed directly by a mutual fund, or exchange-traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees, and commissions are exclusive of and in addition to the Professional Trading Services Brokerage, LLC management fee. Professional Trading Services Brokerage, LLC does not receive any additional commission or compensation for management of an account or product placement within an account.

Generally, for mutual fund portfolios and accounts managed by other advisors, the firm charges a 1% management fee. Depending on the size of the account, this fee may be negotiable. As described above, when mutual funds are used, there are internal fees that are charged by the mutual funds. In addition, the custodian at times will charge a commission for the trade.

For non-discretionary accounts, the firm generally does not charge any fees.

For financial planning services, the firm may charge an hourly fee of \$250, or a flat planning fee as stipulated in the client's agreement. Flat planning fees start at \$999 and may be higher based on the complexity of the plan. Hourly and flat planning fees are negotiable depending on the complexity and depth of the plan. Planning fees may be payable in advance or upon the completion of the plan, depending on the terms negotiated between the client and his or her specific planner. If the client agrees to a fee and pays in advance, the client is entitled to a pro-rata refund if they choose not to pursue completion of the plan. The refund will be pro-rated based on the planner's hourly fee schedule in place at the time and be refunded in the same method as paid by client. In addition, commissions or fees may be earned by the firm if insurance or

investment company products are purchased or advisory services are utilized as a result of recommendations from the financial plan.

As a result of possible product placement or utilization of other services, there exists a conflict of interest because it is possible that the planner may recommend such products based on commissions received, rather than on a particular client's need. In this situation we will make planning clients aware of the conflict. Our planning agreement stipulates clients are entitled to take our recommendations and effectuate them through any other party of their choice. Clients have no obligation to purchase anything as a result of the financial plan. Commissions do not comprise a significant portion of revenue from advisory clients. Commissionable products are sold within our capacity as a FINRA member broker-dealer and are separate and distinct from advisory fees.

## Item 6: Performance-Based Fees and Side-By-Side Management

Professional Trading Services Brokerage, LLC does not charge any performance-based fees.

## Item 7: Types of Clients

Professional Trading Services Brokerage, LLC provides advisory services to a variety of clients which generally includes, but is not limited to, individuals, estates, trusts, and retirement plans. At this time, we do not provide any institutional services. Generally, we require \$100,000 minimum to open an account, although we will open an account with less if there is mutual agreement between the client and us. Investment Advisor Representatives are required to thoroughly examine the client's suitability before recommending an advisory account so we may manage the account in accordance with the client's investment objectives and risk tolerance.

## Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Professional Trading Services Brokerage, LLC obtains substantial background information about each client's financial circumstances, investment objectives, and risk tolerance, among other things, through an in-depth interview and information gathering process which includes client profile or relationship forms. After suitability has been determined research and analysis begins with technical and fundamental analysis of any existing or prospective positions. Fundamental analysis is a form of investment analysis that focuses on a company's financial statements, earnings, sales, and quality of management. Technical Analysis is a method of evaluating securities that focuses on the assumption that detailed market data, such as charts of price, volume, and open interest, can help predict future (usually short-term) market trends. Unlike fundamental analysis, it gives little weight to the intrinsic value of a company's business. Our advisors utilize research and analysis tools provided by Charles Schwab, Interactive Brokers, Morningstar, and other qualified sources. Neither fundamental nor technical analysis can predict or ensure a security's performance and there are risks involved with investing, including loss of principal. Clients should be prepared to bear such risks. Some specific examples of risk include but are not limited to the following:

**-International investments** may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations.

**-Emerging markets** involve heightened risks related to the same factors as well as increased volatility and lower trading volume.

**-Narrowly focused investments** in smaller companies typically exhibit higher volatility.

**-Bonds and bond funds** will decrease as interest rates rise. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments.

Diversification may not protect against market risk. There is no guarantee the objectives discussed will be met. Past performance does not guarantee future results.

The client's current portfolio of investments or lack thereof, will dictate how we approach the case. If a client has an existing portfolio of stocks, mutual funds, and/or other holdings, we will evaluate those holdings and determine if we want to hold, sell, or add to them. We come to that conclusion utilizing fundamental as well as technical analysis. If a client has individual stocks in his or her transferred account and we decide to hold those stocks, we may place trailing stop losses at a percentage we determine based on the volatility of the stock; that metric is dynamic and changes based on market circumstances. We do this to preserve capital and/or gains. We will also consider the taxable gain or loss that would be incurred, but won't be constricted by the tax consequence of the sale if we think the stock should be liquidated. If the stock position is sold because of a sell stop order, it will go to cash. It is possible the stock may recover after the sale and you could miss the upside movement. Although, we believe it is better to preserve capital when possible if the stock is trending down. In addition, we may write covered calls to generate income and increase yield. Covered calls are options that obligate you to sell the stock at a predetermined price. Covered calls reduce risk by the amount of the premium received and if the stock doesn't go up to the strike price by expiration, you keep the stock and the premium. It is possible the stock will continue to go above the strike price, therefore requiring you to sell and miss the upside. Of course, there is no guarantee the stock will rise or fall. Covered calls reduce risk and generate income.

If the client has bonds and/or mutual funds in the transferred account, we will evaluate those in light of interest rates and current market conditions. We may decide to hold, sell or increase the holdings.

If the transferred account has cash or if the client opened the account with a cash deposit, we may utilize the cash to establish new positions by an outright purchase or the use of cash secured puts. A cash secured put is an option contract that obligates the writer (us) to buy the stock at a predetermined price that we establish. We receive a premium for taking on the obligation. If the stock doesn't drop to the strike price we picked by the expiration date, we earn the premium and have no further obligation. If it does drop to the strike price or below, we will either purchase the stock or close (repurchase it) the put depending on market conditions. If we close the put at a higher premium than we received, we will experience a loss. By writing cash secured puts, we would potentially purchase the stock at a price below current trading levels and take in

premium, thereby reducing the purchase price. The inherent risk of the cash secured put is the same as buying stock - the stock could go up or down after the purchase. In addition, we may purchase options, calls or puts as a hedge to protect a current stock position or to establish new one.

Buying and selling stocks, bonds and options, depending on the frequency can reduce your overall returns due to increased trading costs. We attempt to minimize this to the extent possible. We do not earn any money on commissions or trading charges by our custodian.

There is no guarantee that options will expire worthless and there are risks involved in investing with options. This strategy generally requires frequent trading which may increase total trading commissions. This strategy is not suitable for all clients and is most effective for large accounts with large cash positions and is generally reserved for such accounts. However, if a client with an account of less than \$50,000 in cash wishes to engage in this strategy, there is a disclosure form required at the time of sale that explains the points just discussed.

## Item 9: Disciplinary Information

There are no legal or disciplinary events material to a client's or prospective client's evaluation of Professional Trading Services Brokerage, LLC's advisory business or integrity of management.

## Item 10: Other Financial Industry Activities and Affiliations

Professional Trading Services Brokerage, LLC is also a registered broker-dealer that offers financial planning services and transacts business in mutual funds, fixed and variable insurance products, and retirement plans. All management persons are registered representatives of Professional Trading Services Brokerage, LLC. As described earlier, no commissionable products are placed within the investment advisory side of our business; however, products may be sold within our capacity as a broker-dealer. If a client purchases products within our capacity as a broker-dealer, it will be maintained in a broker-dealer account, separate from the advisory account.

Richard C. Malesich, an investment advisor representative of our firm, is the sole proprietor of RCM Capital Management, a registered investment advisor. RCM Capital Management provides financial planning and asset management services to its clients. There is no arrangement between PTS and RCM that is material to our business or our clients.

The following representatives of our firm are licensed to sell insurance products in Pennsylvania.

Salvatore F. Marcello Jr	Peter Marcello
Mathew J. Calamita	Jeremy J. Schank
Kenneth J. Gertie	Brad W. Schank
Robert J. Sacchetta	Philip G. Siciliano
Roger A. Leonard Jr	Richard C. Malesich



## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Professional Trading Services Brokerage, LLC is a state-registered advisor. Some principals and investment advisor representatives of Professional Trading Services Brokerage, LLC maintain personal investment accounts with the firm that invest in the same securities recommended to clients. This generally occurs when a block trade is executed across multiple accounts. Investing in the same securities as clients presents conflicts of interest. When doing so, the interests of client accounts will at all times be placed first. All personal securities transactions are conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility and supervised persons must not take inappropriate advantage of their positions. When trading as a block, all accounts are treated equally and procedures for execution and allocation are strictly followed.

Professional Trading Services Brokerage, LLC does not buy or sell for itself, on a principal basis, securities that it also recommends to clients. However, related persons are permitted to buy or sell securities that it also recommends to clients consistent with firm policies and procedures. When doing so, the interests of client accounts will at all times be placed first. All personal securities transactions are conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility and supervised persons must not take inappropriate advantage of their positions.

## Item 12: Brokerage Practices

Discretionary client transactions are executed through Charles Schwab and Interactive Brokers. Both custodians are leaders in the investment advisory industry. They offer a trading platform conducive to our business and trading costs are in line with conventional norms. Professional Trading Services Brokerage, LLC is not compensated on any trading commissions, so there is no proprietary interest in trade execution. We do not receive research products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"). Therefore, we do not have any incentive to select or recommend a broker-dealer.

Mutual Fund Transactions. Although shares of no-load mutual funds can be purchased and redeemed without payment of transactions fees, we may, consistent with our duty of best execution, determine to cause client accounts to pay transaction fees that may be higher than those obtainable from other broker-dealers when purchasing shares of certain no-load mutual funds through Charles Schwab and/or Interactive Brokers. Charles Schwab does offer many "No Transaction Fee" mutual funds and when suitable for the client, we utilize these funds as a way to reduce overall expenses to the client.

Professional Trading Services Brokerage, LLC will generally aggregate the purchase and/or sale of securities for various client accounts when the same position is placed across several accounts. Aggregating orders in block trades allows us to get consistent executions at an average price for each client.

## Item 13: Review of Accounts

For those clients to whom Professional Trading Services Brokerage, LLC provides investment advisory services, the firm monitors those portfolios as part of an ongoing process. Regular account reviews are conducted on a monthly basis. Such reviews are conducted by one of the firm's principals. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with their investment advisor representative and to keep them informed of any changes thereto. Investment advisor representatives shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Clients receive monthly statements from the custodian in the client's desired format (paper or electronic). These statements include the assets in the client's account, the purchase date, the cost, the current market value, and performance data for the period. In addition, Professional Trading Services Brokerage, LLC provides clients with quarterly billing statements in electronic format and may provide additional performance and related reports in the same manner.

## Item 14: Client Referrals and Other Compensation

Professional Trading Service Brokerage, LLC does not receive any economic benefit from non-clients for providing investment advice or other advisory services to its clients.

Professional Trading Services Brokerage, LLC does not directly or indirectly compensate any unsupervised persons for client referrals.

## Item 15: Custody

As a matter of policy and practice, Professional Trading Services Brokerage, LLC does not permit employees or the firm to accept or maintain custody of client assets. It is our policy that all funds, securities, and other assets of each of our clients will be maintained in the name of the respective client and held for safekeeping by the bank, broker-dealer, or other custodian handling each client's respective account.

Clients receive monthly account statements directly from the custodian. These statements include the assets in the client's account, the purchase date, the cost, the current market value, and performance data for the period. Clients should carefully review such statements for accuracy and report any discrepancies immediately. In addition, we urge clients to compare statements received from the custodian to any statements or reports that we may provide directly.

## Item 16: Investment Discretion

Professional Trading Services Brokerage, LLC's policy requires a written investment advisory agreement for each client relationship which includes a description of our services, discretionary/non-discretionary authority, advisory fees, important disclosures and other terms of our client relationship. When the PTS Brokerage, LLC Investment Management Agreement (Discretionary) is effectuated (signed by client and firm principal), the firm will direct, in its sole discretion and without first consulting the

client, the investment and reinvestment of the assets in the client's account in securities and cash or cash equivalents.

If the client wishes, he/she may indicate investment restrictions and guidelines on Schedule B of the discretionary agreement. Such restrictions and guidelines are noted and followed in all investment decisions and recommendations.

## Item 17: Voting Client Securities

Professional Trading Services Brokerage, LLC, as a matter of policy and practice, has no authority to vote proxies on behalf of advisory clients. The firm may offer assistance as to proxy matters upon a client's request, but the client always retains the proxy voting responsibility. Professional Trading Services Brokerage, LLC's policy of having no proxy voting responsibility is disclosed to clients. Clients receive proxies directly from the custodian and may contact the firm via phone or email with questions regarding such solicitations.

## Item 18: Financial Information

Professional Trading Services Brokerage, LLC is currently under no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. We do not charge clients in advance. Since our firm does not maintain custody, we have no financial commitments to our clients. The firm's net capital exceeds its required minimum as required.

Professional Trading Services Brokerage, LLC and its owners have never been the subject of a bankruptcy petition.

## Item 19: Requirements for State-Registered Advisers

### PTS Brokerage, LLC

#### Current Business

*Broker-Dealer* – PTS Brokerage, LLC is a FINRA member broker/dealer. Clients may choose to engage PTS Brokerage, LLC, to implement investment recommendations on a commission basis. There is a conflict of interest because the receipt of commissions and 12b-1 fees for selling securities and insurance products gives the firm an incentive to recommend investment products based on the compensation received, rather than on the client's needs. 12b-1 fees are earned from the mutual fund company during the period that the client maintains the mutual fund investment. These commissions and 12b-1 fees are only earned in broker-dealer accounts, separate from any advisory account. No client is under any obligation to purchase any commission products PTS Brokerage, LLC. Clients are reminded that they may purchase investment products recommended by Registrant through other, non-affiliated broker/dealers.

#### Additional Disclosures

PTS Brokerage, LLC has not been involved in an award or otherwise being found liable in an arbitration claim, civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

PTS Brokerage, LLC has no relationship or arrangement with any issuer of securities.

PTS Brokerage, LLC has never been the subject of a bankruptcy petition.

## Jeremy J. Schank, EA - Chief Financial Officer & Co-CCO

### Educational Background and Business Experience

Jeremy J. Schank was born in 1987. Mr. Schank graduated from Drexel University in 2009 with a Bachelor of Science in Business Administration, concentrating in Finance and Legal Studies. Mr. Schank has been in the financial services business since 2009. Before his employment with the firm, he held intern positions at A&M Berk Tax, Inc (Philadelphia, PA) and AIG Marketing, Inc (Wilmington, DE). He was also a bartender at several restaurants and clubs in Philadelphia, PA.

### Disciplinary Information

Jeremy J. Schank has no legal or disciplinary events to disclose.

### Current Business

*Registered Representative of PTS Brokerage, LLC* – Mr. Schank is a registered representative of PTS Brokerage, LLC, a FINRA member broker/dealer. Clients may choose to engage Mr. Schank in his individual capacity as a registered representative of PTS Brokerage, LLC, to implement investment recommendations on a commission basis. There is a conflict of interest because the receipt of commissions and 12b-1 fees for selling securities products gives him an incentive to recommend investment products based on the compensation received, rather than on the client's needs. 12b-1 fees are earned from the mutual fund company during the period that the client maintains the mutual fund investment. These securities commissions and 12b-1 fees are only earned in broker-dealer accounts, separate from any advisory account. No client is under any obligation to purchase any commission products from Mr. Schank. Clients are reminded that they may purchase investment products recommended by Registrant through other, non-affiliated broker/dealers.

*Insurance Agent* – Mr. Schank is a licensed insurance agent and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage Mr. Schank to effect insurance transactions on a commission basis. There is a conflict of interest because the receipt of commissions for selling insurance products gives him an incentive to recommend products based on the compensation received, rather than on the client's needs. No client is under any obligation to purchase any insurance products from Mr. Schank. Clients are reminded that they may purchase insurance products recommended by the Registrant through other, non-affiliated insurance agents.

*PTS Tax Advisors, LLC* - Jeremy is a member of PTS Tax Advisors, LLC. He prepares tax returns for individuals and business. He spends an average of 20 hours per week (January to April) and two hours per week (May to December) on this business. There is a conflict of interest the receipt of compensation for his tax preparation and/or accounting services gives him an incentive to recommend services based on the compensation received, rather than the client's needs. No client is under any obligation to utilize Mr. Schank for accounting services. Clients are reminded that they may elect to obtain accounting services recommended by the Registrant through other non-affiliated tax professionals.

*Crypto Mining* – Jeremy mines crypto coins on custom built computers. This activity is not investment related and he spends under an hour per month on it. There is no conflict of interest and no clients are or will be involved.

#### Additional Compensation

Jeremy J. Schank has no additional compensation arrangements to disclose.

#### Supervision

Jeremy J. Schank is a designated principal, CFO, and Co-CCO. All new business is submitted directly to the main office, where Mr. Schank reviews it thoroughly and approves each sale. Mr. Schank also monitors accounts and conducts reviews on at least an annual basis. Mr. Schank can be contacted at (856) 802-9400. In addition, our firm conducts quarterly compliance meetings to update IARs on new procedures and regulations. The firm maintains written supervisory procedures to ensure compliance with applicable rules and regulations, including those promulgated under the Maryland Securities Act. Brad W. Schank is Jeremy J. Schank's direct supervisor.

#### Additional Disclosures

Jeremy has not been involved in an award or otherwise being found liable in an arbitration claim, civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Jeremy has no relationship or arrangement with any issuer of securities.

Jeremy has never been the subject of a bankruptcy petition.

## Brad W. Schank, EA - Chief Operations Officer & Co-CCO

### Educational Background and Business Experience

Brad W. Schank was born in 1986. Mr. Schank graduated from Rutgers University in 2009 with a Bachelor of Arts, Major in Economics and Minor in Psychology. Mr. Schank has been employed as an investment advisor representative of PTS Brokerage, LLC since May of 2010 and a registered representative of PTS Brokerage, LLC since March of 2010.

### Disciplinary Information

Brad W. Schank has no legal or disciplinary events to disclose.

### Current Business

*Registered Representative of PTS Brokerage, LLC* – Mr. Schank is a registered representative of PTS Brokerage, LLC, a FINRA member broker/dealer. Clients may choose to engage Mr. Schank in his individual capacity as a registered representative of PTS Brokerage, LLC, to implement investment recommendations on a commission basis. There is a conflict of interest because the receipt of commissions and 12b-1 fees for selling securities products gives him an incentive to recommend investment products based on the compensation received, rather than on the client's needs. 12b-1 fees are earned from the mutual fund company during the period that the client maintains the mutual fund investment. These securities commissions and 12b-1 fees are only earned in broker-dealer accounts, separate from any advisory account. No client is under any obligation to purchase any commission products from Mr. Schank. Clients are reminded that they may purchase investment products recommended by Registrant through other, non-affiliated broker/dealers.

*Insurance Agent* – Mr. Schank is a licensed insurance agent and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage Mr. Schank to effect insurance transactions on a commission basis. There is a conflict of interest because the receipt of commissions for selling insurance products gives him an incentive to recommend products based on the compensation received, rather than on the client's needs. No client is under any obligation to purchase any insurance products from Mr. Schank. Clients are reminded that they may purchase insurance products recommended by the Registrant through other, non-affiliated insurance agents.

*PTS Tax Advisors, LLC* – Brad is a member of PTS Tax Advisors, LLC. He prepares tax returns for individuals and business. He spends an average of 20 hours per week (January to April) and two hours per week (May to December) on this business. There is a conflict of interest the receipt of compensation for his tax preparation and/or accounting services gives him an incentive to recommend services based on the compensation received, rather than the client's needs. No client is under any obligation to utilize Mr. Schank for accounting services. Clients are reminded that they may elect to obtain accounting services recommended by the Registrant through other non-affiliated tax professionals.

### Additional Compensation

Brad W. Schank has no additional compensation arrangements to disclose.

## Supervision

Brad W. Schank is a designated principal, COO, and Co-CCO. All new business is submitted directly to the main office, where Mr. Schank reviews it thoroughly and approves each sale. Mr. Schank also monitors accounts and conducts reviews on at least an annual basis. Mr. Schank can be contacted at (856) 802-9400. In addition, our firm conducts quarterly compliance meetings to update IARs on new procedures and regulations. The firm maintains written supervisory procedures to ensure compliance with applicable rules and regulations, including those promulgated under the Maryland Securities Act. Jeremy J. Schank is Brad W. Schank's direct supervisor.

## Additional Disclosures

Brad has not been involved in an award or otherwise being found liable in an arbitration claim, civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Brad has no relationship or arrangement with any issuer of securities.

Brad has never been the subject of a bankruptcy petition.