



As required under SEC Regulation Best Interest (“Reg BI”), **PTS Brokerage, LLC** (referred to in this document as “PTS,” “we” “us” or “our”) is pleased to make additional information available to our retail clients (“you”) to provide further disclosure about our products and services and how they may be recommended in your best interest. It is our intent to provide to you in writing full and fair disclosure of all material facts relating to the scope and terms of the relationship you have with us as well as material facts relating to potential conflicts of interest that may be associated with recommendations you may receive from us.

For basic information about our firm and the services we provide, please first consult our firm’s Customer Relationship Summary, also called the “Form CRS.” The Form CRS will give you a useful starting point regarding the material facts associated with our recommendations to you.

Additional Disclosures Related to the Capacity of our Financial Professionals:

Our firm is dually registered to provide, as appropriate, both **Brokerage** services and Investment **Advisory** services to you. Our Form CRS gives you clear information as to the scope of each. Be sure to ask your financial professional which capacity he or she is acting in when recommending our products and services.

Material Limitation: Some of our financial professionals may be licensed only for Brokerage services. In this case, the financial professional will not be able to make a recommendation to you for an Advisory account but can refer you to a licensed financial professional for these services.

Additional Disclosures Related to Types of Accounts:

Our firm offers both Brokerage accounts and Advisory accounts. Your financial professional will gather information from you and discuss with you which type of account is appropriate for your needs. In addition, your financial professional will also discuss if that account should be set up as an individual account, IRA, joint account, education account (e.g., 529 Plans and tax-free Coverdell accounts), or some other type. Each account type will entail potential (1) fees and expenses, (2) services provided, (3) limitations on penalty-free withdrawals, (4) projected costs over time, (5) other limitations. Be prepared to ask your financial professional about different account types.

Additional Disclosures Related to Available Alternatives:

Our firm offers many products and services, and we will discuss with you which of those are in your best interest.

Material Limitation: Our financial professionals will not be able to evaluate every possible alternative (including those offered outside of our firm), neither do we recommend one “best” product. Be sure that your financial professional discusses the basis he or she uses to make a recommendation to you.

Additional Disclosures Related to Conflicts of Interest:

Reg BI requires that our firm identify and, at a minimum, disclose such conflicts of interest associated with recommendations made to you. Many potential conflicts of interest are addressed in our Form CRS. Of course, the most fundamental conflict of interest can be stated this way: PTS and its financial professionals will make money when you establish an account with us, and we will not make money if you don’t. Because we offer different products and services, our compensation and that of our financial professionals will be based upon which products and services are provided for you. We will make recommendations that are in your best interest, and it will be up to you to decide if you wish to implement those recommendations.

Material Limitation: Our financial professionals earn variable compensation associated with product types. Certain products may be more expensive and result in higher compensation for us and the financial professional.

Additional Disclosures Related to Rollover or Transfer of Assets:

If appropriate, your financial professional may discuss with you possible rollovers from a 401(k) or other employer-sponsored retirement plan to an IRA at PTS. Your financial professional will consider many factors that may be associated with this type of a recommendation. This process will entail gathering quite a bit of information from you. Your financial professional will discuss the advantages of doing a rollover to an IRA versus the advantages of leaving your assets in your retirement plan and then make a recommendation based upon your best interest.

Conflict of Interest: PTS and your financial professional will only make money if you do a rollover to an IRA. We can make money in various ways depending on how you choose to invest your rollover money at PTS. For example, a rollover IRA account can be established through a Brokerage account or an Advisory account. On the Brokerage side, a rollover IRA account can further be invested in mutual funds or variable annuities. Each of those types of investments has different fee structures which your financial professional will discuss with you. On the Advisory side, you will be subject to fees outlined in our Form CRS and other advisory disclosures provided to you. Please be aware that our firm has policies, procedures, and supervision in place to mitigate the conflict.

Additional Disclosures Related to Variable Annuities:

One of the products that we might recommend to you, if appropriate, is a Variable Annuity (VA). [Please note that Fixed Annuities are also available, but not addressed in this disclosure because they are insurance products only and not securities, thus they are not subject to Reg Bl.] As a security, a VA allows you to choose from a variety of underlying investment options in which to put your money that act like mutual funds. These options are subject to market risk and may increase or decrease in value over time. Generally, annuities are recommended for long-term investment goals. Your financial professional will provide you with a prospectus for the VA so that you may learn more about that VA.

Some VA contracts are relatively straight-forward, while others are more complex. They have specialized uses and functions within your financial plan. Some of the unique features available with a VA may come in the form of a rider (e.g., an income benefit rider and/or an enhanced death benefit rider) at an additional cost. We will need to obtain substantial information from you before recommending a VA.

Material Limitation: We evaluate the annuity products offered by our financial professionals and we assure that our financial professionals are trained in the features of the products. However, there may be annuities offered at other firms that we do not offer. In addition, your financial needs and goals may change over time. Therefore, please feel free to contact your financial professional periodically to assure that your contract continues to meet your needs.

Your financial professional will provide you with information about the various fees and costs associated with any VA recommended for you. These fees and costs may be (1) deducted from your premium payment, (2) applicable only upon surrender and/or withdrawal, (3) ongoing regular fees and expenses. Since the costs vary based upon the contract, be sure to evaluate the prospectus for the annuity.

Conflict of Interest: We will be compensated directly from the issuing insurance carrier when you purchase an annuity, and in turn, your financial professional will be paid a commission. The up-front commission paid is typically calculated based upon the amount of annuity premium you contributed as well as additional premiums you may make. While you do not pay the commission directly, the insurer factors this compensation into your ongoing annuity cost. Be sure to learn the “all-in” cost of the annuity and its riders from your financial professional. Please be aware that our firm has policies, procedures, and supervision in place to mitigate the conflict.