

# Form CRS: Client Relationship Summary

April 27, 2022

## INTRODUCTION

Pinnacle Investments, LLC, (“Pinnacle”, “we”, “our”, or “us”), is registered with the Securities and Exchange Commission (“SEC”) as both an investment adviser and broker/dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Detailed information regarding our registration status is available at [www.brokercheck.finra.org](http://www.brokercheck.finra.org). Our investment advisory and brokerage services and fees differ, and it is important for you to understand these differences. Free and simple tools are available for you at [www.investor.gov/CRS](http://www.investor.gov/CRS) to research firms and financial professionals, and also find educational materials about investment advisers, broker/dealers, and investing.

### What investment services and advice can you provide me?

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. This document provides a summary of the types of services Pinnacle provides and how you pay for those services. The advisory and brokerage services offered by Pinnacle’s financial professionals can differ. It is important that you discuss with your financial professional the specific services they offer and whether those services are appropriate for your financial situation.

As an investment adviser, Pinnacle can provide investment advice to you for a fee. Pinnacle’s investment advisory services consist of managed account programs, wrap account programs, financial planning, portfolio management for individuals, selection of other advisers, investment advisory services, investment advice through consultation, wealth management services, retirement plan consulting services, and co-advisory services with affiliated and unaffiliated third-party portfolio managers.

The primary brokerage services offered include recommendations to buy and sell stocks, bonds, options and mutual funds, as well as certain insurance products and alternative investments. Many of these investments can be held in accounts (“brokerage accounts”) with our clearing firm, Wells Fargo Clearing Services, LLC. Other investments are held in accounts directly with the issuer of the securities purchased (sometimes referred to as “direct-held accounts”). We also offer IRAs, where your investments will be held with the custodian of the IRA.

Investment Adviser Services	Broker/Dealer Services
<b>Monitoring Services</b>	
Pinnacle monitors retail investors’ investments on an ongoing basis, at a minimum on a yearly basis, as well as in advisory programs through affiliated and unaffiliated third parties when we are a co-advisor, and we provide monitoring services as part of certain management and retirement consulting services.	Pinnacle does not monitor investments held in brokerage accounts or direct-held investments. Your financial professional can provide periodic account reviews upon request.
<b>Investment Authority</b>	
In some of our managed account and wrap account programs, you give Pinnacle discretion over investment trading. You may also choose to have your account managed on a nondiscretionary basis.	Pinnacle does not have discretionary investment authorization over your brokerage accounts or direct-held investments, except as may be necessary to satisfy margin calls or other debt obligations. You make the ultimate decision regarding the purchase or sale of investments.

Investment Adviser Services	Broker/Dealer Services
<b>Limited Investment Offerings</b>	
Pinnacle provides investment advice through programs that use proprietary, affiliated and unaffiliated securities products and does not restrict investment advice to a limited menu of investments.	Pinnacle offers proprietary, affiliated and unaffiliated products and does not limit its menu of products or types of investments.
<b>Account Minimums and Other Requirements</b>	
Pinnacle’s advisory programs require clients to meet certain program account minimums, which vary from program to program. Minimums may be waived at Pinnacle’s discretion.	Pinnacle does not have minimum requirements for retail investors to open or maintain brokerage accounts or purchase or hold direct-held investments.

*Pinnacle encourages you to ask your financial professional the following questions:*

- **Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**

## FEES, COSTS, CONFLICTS OF INTEREST, AND STANDARD OF CONDUCT

### What fees will I pay?

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** Below is a summary description of the fees and costs you will pay based upon the services you select.

### Investment Adviser Services

- Most of our asset management programs or services require you to pay a fee that is a percentage of the dollar value of the investments being managed. This type of fee is typically referred to as an “asset-based fee.” We offer two types of programs that charge an asset-based fee. We refer to one as a “traditional managed account” program and the other as a “wrap account” program. Depending on the program or service selected, asset-based fees are billed on either a monthly or quarterly basis.
- In our traditional managed account programs, the asset-based fee covers only the cost of our advisory services, so you will be charged separately for any other fees you incur in connection with the management of your account, such as transaction fees, administrative services fees, and IRA and qualified retirement plan maintenance fees.
- In our wrap account programs, you will pay asset-based fees that cover the cost of advisory services as well as certain transaction costs and administrative fees charged by the broker/dealer or bank that has custody of your assets. Therefore, the asset-based fees in wrap account programs are typically higher than the fees in traditional managed account programs. Depending on the frequency of trading and the types of investments purchased and sold in a wrap account, wrap account programs may result in higher fees overall.
- In addition to the direct fees clients pay, certain products have additional fees that are associated with the products themselves. Examples of these fees include mutual fund or money market 12b-1 fees, sub-transfer agent fees, distributor fees, management fees, and administrative expenses.
- In general, the more assets there are in your advisory account, the more you will pay in fees. Therefore, we have an incentive to encourage you to increase the amount of assets in your account. Financial professionals may reduce their fee as a percentage of assets under management when their clients reach certain levels of account or household assets.

- Clients receiving wealth management and retirement plan consulting services have the option of paying asset-based fees, flat fees, or hourly rates. These are billed as stated in your advisory contract.
- You should review Pinnacle’s Form ADV Part 2A Brochure, at [www.pinnacleinvestments.com/disclosures](http://www.pinnacleinvestments.com/disclosures) for a description of specific advisory programs and services, as well as how you are charged and how we are compensated.

#### Broker/Dealer Services

- Every time you buy or sell an investment, you will pay a transaction-based fee. A transaction-based fee is commonly known as a “commission” or a “markup/markdown.” The commission rate or amount you will pay for a transaction varies depending on the investment and the size or amount of the transaction. A markup/markdown is the amount you pay that is greater/less than the price of the security brought or sold.
- In addition to commissions, certain products, including mutual funds and variable annuities, have ongoing fees, such as 12b-1 fees and “trail commissions,” that will be paid to us for as long as you own the investment. Additional fees can include custodian fees, mutual fund expenses, and other fees and charges in connection with a specific type of account. These include transaction service fees, variable annuity and insurance product management fees, mortality and expense charges, rider fees, deferred sales or “surrender” charges on mutual funds and variable insurance products, and other miscellaneous account and service fees.
- Information regarding the fees and costs of mutual funds, annuities, and similar investments is available in the prospectus for the specific product. Contact your financial professional or call the product sponsor company for a copy of the prospectus.
- Brokerage account investors will be charged more when there are more trades in their accounts. As a result, Pinnacle has an incentive to encourage investors to trade more frequently.
- You should review Pinnacle’s Regulation Best Interest Disclosure, available at [www.pinnacleinvestments.com/disclosures](http://www.pinnacleinvestments.com/disclosures), for a description of our brokerage services, as well as how you are charged and how we are compensated.

#### **Pinnacle encourages you to ask your financial professional the following question:**

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

**What are your legal obligations to me when providing recommendations as my broker/dealer or when acting as my investment adviser? How else does your firm make money, and what conflicts of interest do you have?** When we provide you with a recommendation as your broker/dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

Pinnacle receives payments from third-party sponsor companies, such as unaffiliated mutual fund and insurance companies, in the form of client seminars and conference fees. Your financial professional does not share in these payments. This additional compensation to Pinnacle presents a conflict of interest because we have a greater incentive to make available or recommend investments that provide these additional payments to us over investments that don’t. Since the compensation we receive varies among and between issuers and different investments and types of investments that we offer as a broker/dealer, we have an incentive to sell you those investments that pay us more compensation.

Pinnacle’s clearing relationship with Wells Fargo Clearing Services, LLC (“WF”) provides us with substantial economic benefits and incentives to use WF as our clearing firm and recommend investments on WF’s platform. The money and benefits we receive from WF create conflicts of interest between us and our clients. For example, Pinnacle and your financial professional share in the commissions you pay on buy/sell

transactions executed through WF, including the “markups/markdowns” you pay when you buy or sell a security with us on a principal (dealer) basis. A markup/down is the amount you pay that is greater than the price of the security bought or sold. In addition, Pinnacle receives revenue from WF based on the types of transactions recommended and the investments held in client accounts at WF, including cash you hold in your Core Account Sweep Program. This program creates substantial financial benefits for Pinnacle and WF. Your financial professional does not receive any of these payments. Investors should review Pinnacle’s Form ADV Part 2A Brochure, available at [www.pinnacleinvestments.com/disclosures](http://www.pinnacleinvestments.com/disclosures) for more information about how we make money when providing advisory services and the conflicts of interest relating to our advisory business.

#### **Pinnacle encourages you to ask your financial professional the following question:**

- How might your conflicts of interest affect me, and how will you address them?

#### **How do your financial professionals make money?**

Pinnacle’s financial professionals are compensated based on a variety of factors, such as the amount of client assets they service; the time and complexity required to meet your needs; and the products, programs, or services offered or sold to you.

In addition to receiving commissions and/or advisory fees, your financial professional has the opportunity to receive “noncash compensation” in the form of reimbursements for marketing expenses and business development costs, as well as with invitations to conferences and due diligence meetings where travel-related costs, expenses, meals, and entertainment are paid for or subsidized by the investment product providers. This additional compensation presents a conflict of interest because it provides a financial incentive for your financial professional to recommend particular investment products that offer additional compensation over those that do not.

#### **Do you or your financial professionals have legal or disciplinary history?**

Yes. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research Pinnacle and your financial professional. You may also search Pinnacle’s and/or your financial professional’s legal and disciplinary history at [www.brokercheck.finra.org](http://www.brokercheck.finra.org).

#### **Pinnacle encourages you to ask your financial professional the following questions:**

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Are they a representative of an investment adviser or a broker/dealer? Who can I talk to if I have concerns about how this person is treating me?

Your Pinnacle financial professional will provide you with their Form ADV Part 2B Brochure Supplement. You may also request a copy of your financial professional’s ADV Part 2B Brochure Supplement by asking your financial professional or calling Pinnacle at (315) 251-1101.

**To receive a copy of Pinnacle’s Form CRS: Client Relationship Summary, please visit our website at [www.pinnacleinvestments.com/disclosures](http://www.pinnacleinvestments.com/disclosures) For additional information about Pinnacle’s brokerage or investment advisory services, ask your financial professional or call us at (315) 251-1101.**