

Item 1 - Cover Page

Presidential Brokerage, Inc.

CRD Number 28784

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March 31, 2017

This Brochure provides information about the qualifications and business practices of Presidential Brokerage, Inc. ("Presidential"). If you have any questions about the contents of this Brochure, please contact us at 800-230-1288 or acampen@presidentialbrokerage.com. 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.

Presidential is a registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Presidential also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There are no material changes to this brochure since this brochure was last updated on March 30, 2016

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Tony Campen, Chief Compliance Officer, at 800-230-1288 or acampen@presidentialbrokerage.com. Our Brochure is also available on our web site www.presidentialbrokerage.com, also free of charge.

Additional information about Presidential is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Presidential who are registered, or are required to be registered, as investment adviser representatives of Presidential.

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Item 4 – Advisory Business

Presidential is full-service Investment Adviser that provides individualized products, services and advice which range from mutual fund wrap programs to multi-manager separately managed accounts. In addition to its investment advisory business Presidential is a FINRA registered Broker/Dealer and licensed insurance agency. These non-advisory activities involve approximately 75 percent of the firm’s professional staff’s time. Presidential has been in business since 1991 and its principal owners are Daniel Lempe and John DuPriest.

As of 12/31/2016 Presidential’s assets under management were \$86.1 million of which \$38.1 Million were managed on a discretionary basis and \$48 million were non-discretionary assets.

Advisory Products and Services Offered:

Presidential Brokerage, Inc. (“Presidential”), through its advisory representatives, offers a variety of investment advisory products and services as described below. Presidential offers several wrap programs made available to Presidential and its clients by Presidential’s clearing firm Wells Fargo Clearing Services, LLC (“WFCS”) and Wells Fargo Advisors, LLC (“WFA”). WFCS is a non-bank affiliate of WFA and also provides custodial and execution services for accounts participating in the advisory programs it makes available to Presidential and its clients. Presidential also offers a subscription-based program to assist individuals in managing their 401(k) and other retirement accounts.

Wrap Fee Programs Sponsored by Presidential:

Presidential Sponsors the following wrap fee programs:

- Asset Advisor
- Private Investment Management

Comprehensive information regarding each of the Presidential Sponsored Wrap Fee Programs, including the specific management style, program minimums and other costs/expenses associated with each program, is attached as Appendix 1 – Wrap Fee Program Brochure – when applicable.

Investment Advisory Programs available through WFCS/WFA

The programs available from Presidential through WFCS and WFA include: Allocation Advisors, Asset Advisor, FundSource, Custom Choice, Diversified Managed Allocations (“DMA”), Masters Investment Consulting (“Masters”), Private Advisor Network (“Network”) and Private Investment Management (“PIM”). With the exception of Network, these programs are “wrap fee” programs sponsored by Wells Fargo whereby Clients pay a single fee to cover all advisory services, clearing and execution. Clients participating in any of these programs will be provided with separate disclosure brochures that are specific to the individual programs and managers if applicable. Clients should carefully review these brochures and program contracts for additional information about a specific program before selecting from among them.

Allocation Advisor

The Allocation Advisor Program offers fully allocated discretionary portfolios that represent a way to implement your asset allocation, utilizing either strategic (10-15 years), cyclical (3-5 years), or tactical (3-12 months) asset allocation. The program presents a unique exchange-traded funds (ETFs) selection and monitoring service designed to help investors work towards their financial goals. For more information on this program and more detailed disclosures please refer to the Allocation Advisor disclosure document.

FundSource

FundSource is a discretionary mutual fund wrap program providing clients with access to over 25 Optimal Blend fund portfolios actively managed by the Manager Strategy Group at WFA. The portfolios are constructed of load-waived, no-load and institutional share class mutual funds. Clients, along with their Presidential advisory representative, can also create a tailored allocation for the client's specific needs using these mutual funds in Customized Blends within FundSource. While Customized Blends are built by advisory representatives and clients, the funds are also monitored by WFCS's Manager Strategy Group. Both Optimal and Customized Blends offer automatic fund replacement as well as auto-rebalancing.

In addition to the Optimal Blend and Customized Blend portfolios, there are an additional 9 portfolios available through FundSource Foundations at a lower entry level for smaller accounts. For more information on this program and more detailed disclosures please refer to the FundSource disclosure document.

Custom Choice

Custom Choice is a non-discretionary mutual fund wrap program that allows a client and their Presidential advisory representative to construct their own asset allocation from a broad universe of over 3600 institutional share class, no-load and load-waived mutual funds. This program helps clients maintain their strategic asset allocation by offering optional auto-rebalancing. For more information on this program and more detailed disclosures please refer to the Custom Choice disclosure document.

DMA

DMA is a discretionary advisory program that offers separately managed portfolios featuring asset allocation, diversification and risk-based portfolio management to investors. WFA's Manager Strategy Group evaluates a broad range of asset classes and investment styles and identifies classes or styles that perform differently under varying market conditions. From these, the Manager Strategy Group uses quantitative and qualitative measures to select what it perceives to be "best of breed" investment managers for the DMA program. Focusing both on the merits of the individual investment managers and on how the various investment managers on advisory roster complement one another, Presidential has developed what it believes to be a continuum of diversified strategies for investors, based on specific risk tolerances and financial situations, called Optimal Blends. Clients can select one of the Optimal Blends or, working with their advisory representative, construct their own strategy using the DMA roster of investment managers. For more information on this program and more detailed disclosures please refer to the DMA disclosure document.

Masters

Masters is a discretionary advisory program designed to assist Presidential advisory representatives and clients in identifying professional investment managers who can not only help a client meet their specific investment goals, but also keep their tolerance for risk in mind. A Masters client has access to more than 150 of the nation's top professional institutional investment managers at pre-negotiated entry levels and fee

schedules. For more information on this program and more detailed disclosures please refer to the Masters disclosure document.

Network

The mission of the Network program is to assist clients in identifying professional money managers who can help meet the specific investment goals, risk tolerance and objectives of each client. Each Network portfolio is professionally managed on a discretionary basis, separate account (individual stock and bond holdings) where the client pays Presidential either a fee-in-lieu of commission or commission (on a negotiated commission rate) that covers a package of services: transaction charges, consulting services, and compensation to Presidential for the value-added service that they provide the client. Keep in mind that fee-based accounts are not designed for either excessively traded or inactive accounts and may not be suitable for all investors. During periods of lower trading activity, fees may be lower in this program if the investor selects to open a commission-based account. For more information on this program and more detailed disclosures please refer to the Network disclosure document.

Program Termination – Program services described above may be terminated upon 10 days advance notice. Upon written receipt of notice to terminate its Client Agreement with any of Presidential’s investment advisory programs, and unless specific transfer instructions are received, Presidential and its agent will, in as orderly and efficient manner as deemed possible, proceed with liquidation of the Client’s account. There will not be a charge by Presidential for such redemptions. However, the Client should be aware that certain mutual funds impose redemption fees as stated in each company’s fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate securities or mutual funds may result in tax consequences that should be discussed with the client’s tax advisor.

Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers’ abilities. Should the necessary securities’ markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate Client’s investment advisory service and communicate the instructions to Client’s investment advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process a Client’s request. During this time, a Client’s account is subject to market risk. Presidential and its agent are not responsible for market fluctuations of the Client’s Account from time of written notice until complete liquidation, although efforts will be made to process the termination in an efficient and timely manner.

Programs Exclusive to Presidential

Other Advisory Services

Personal Financial Planning Services for Fee

Presidential provides personal financial planning services for a fee in the form of a financial plan encompassing such areas as Estate Planning, Retirement Planning, Investment Planning, and Business Succession planning. Such Plan is prepared from information provided by the client to Presidential relating to a client’s current financial picture, personal preferences relating to basic elements such as risk tolerance, and long-term financial objectives. Presidential and the client work as a team putting together the

information necessary to create a Plan. The quality and value of the completed Plan is dependent upon a client providing complete and accurate information.

The cost of Plan preparation is dependent upon the extent and complexity of the Plan. Typical plans prepared by Presidential cost between \$300 and \$2,500; the cost and extent of a Plan is negotiated and agreed upon prior to development of the Plan. These costs are separate from and do not include any costs associated with the implementation of any Financial Plan, whether executed through Presidential or elsewhere. The fee will be determined in advance and will be specified on the Financial Planning Agreement. Payment is due upon completion and delivery of the plan. Once the plan is delivered the Client has 5 days to request a refund if not satisfied with the plan.

In providing personal financial planning services there is an inherent conflict between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation and, if the client elects to act on any of the recommendations, the client is under no obligation to effect transactions through the investment advisor.

EQIS Capital Management

Presidential has developed a unique relationship with EQIS Capital Management, Inc. ("EQIS"), an SEC-registered Investment Advisor located in San Rafael, California. EQIS has developed, through proprietary technology, a unique advisory platform that allows for fractional share allocation in a separately managed account. Until recently, diversification across numerous asset classes and management styles was unattainable or unattractive for most investors because of lower liquidity, lower transparency, higher fees, and larger account minimums (often over a million dollars) which are typically associated with institutional style money management.

Through EQIS, Presidential's clients can have access to an "endowment model" program, normally reserved for the very wealthy. The program is accessible at an entry point available to the average investor. The EQIS platform allows the integration of multiple professionally managed strategies in a single account utilizing several different model portfolios designed by Presidential in collaboration with EQIS. While the primary relationship between Presidential and EQIS is that of a solicitor, Presidential's relationship with investors is in an investment advisor capacity. Presidential, through a separately executed investment advisory agreement, provides constant supervisory services for the investor by constructing the models, "managing the managers," reviewing performance and risk, and making modifications to the models as necessary. Presidential has discretionary authority through these agreements to modify the models so long as the strategy remains within the client's investment objective. There is no additional charge to the client for these investment advisory services. Additional information regarding the EQIS program can be found in its disclosure document.

Additionally, Presidential offers EASE-E models that are designed and managed by EQIS. The EAS-E model portfolios span the spectrum of investment philosophies - from strategic to tactical - and all allocations are scientifically engineered. The allocations, which are managed by EQIS, are rigorously and methodically derived, primarily based on academic theory and evidence, but also based on in-house scenario analysis, computerized mathematical simulations, and our own proprietary quantitative modeling. Presidential does not maintain any discretionary authority in relation to the EAS-E models.

Item 5 – Fees and Compensation

All fees are subject to negotiation.

The specific manner in which fees are charged by Presidential is established in a client’s written agreement with Presidential. Presidential will generally bill its fees in advance on a quarterly basis. Clients may also elect to be billed directly for fees or to authorize Presidential to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

Presidential’s advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. Such charges, fees and commissions are exclusive of and in addition to Presidential’s fee, and Presidential shall not receive any portion of these commissions, fees, and costs.

A table of the standard fee schedule for the programs described in this brochure:

Program	First \$250,000		Next \$750,000		Over \$1 million	
	Quarterly fee	Annual fee	Quarterly fee	Annual fee	Quarterly fee	Annual fee
Allocation Advisors	0.5%	2.0%	0.375%	1.5%	0.25%	1.0%
FundSource*	0.4375%	1.75%	0.375%	1.5%	0.2875%	1.15%
Custom Choice	0.4375%	1.75%	0.375%	1.5%	0.2875%	1.15%
DMA	0.75%	3.0%	0.625%	2.5%	0.5%	2.0%
Masters (Equity and Balanced Accounts)	0.75%	3.0%	0.625%	2.5%	0.5%	2.0%
Masters - Fixed Accounts	0.4375%	1.75%	0.3125%	1.25%	0.25%	1.0%
Network (Equity and Balanced Accounts)	0.5%	2.0%	0.375%	1.5%	0.25%	1.0%
Network (Fixed Accounts)	0.25%	1.0%	0.1875%	0.75%	0.125%	0.5%

The fees charged for advisory services will be shared with WFCS for clearing, execution and performance reporting services and, if applicable, with third-party money managers in the case of Masters and DMA accounts. In the case of Network accounts, the fees are shared with WFCS, but the third party manager charges their fees under a separate contractual arrangement with the client. The fees received by Presidential, after sharing with WFCS and any third-party manager(s), will vary depending on the program and the final negotiated total fee, and may range from 0.5% to 1.65% annually. The splitting of fees is done at no additional cost to the Client.

*An additional \$4 monthly fee is assessed for balances under \$20,000.

Generally, fees are charged quarterly in advance, based on the assets under management (“AUM”) at the end of the prior quarter. Fees will be prorated for partial quarters including inception fees and termination fee refunds. For Network accounts, fee billing by the third-party manager under a separate contract may be done either in advance or in arrears, depending on the manager, as detailed in the separate manager’s agreement. Partial contributions and/or withdrawals mid-quarter may be charged /refunded depending on the amount of the fee or refund as detailed in the program agreement.

Lower fees for comparable services may be available from other sources.

Item 6 – Performance-Based Fees and Side-By-Side Management

Presidential does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), not does it offer any programs from third-party advisors that charge customers, or compensate us, based on performance-based fees.

Item 7 – Types of Clients

Presidential provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions and trust programs.

Minimum dollar amounts are required to establish certain managed accounts as outlined in the table below:

<u>Program</u>	<u>Minimum Initial Investment</u>
Allocation Advisors	\$50,000
FundSource	\$25,000
FundSource Foundations	\$10,000
Custom Choice	\$25,000
DMA	\$150,000
Masters	\$100,000
Network	\$100,000

Under certain circumstances the minimum may be waived or reduced, including for related accounts that may be combined to meet minimum requirements.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

We may use various methods to assist us in managing your account, including both long and short term trading. The methods and strategies will vary based on the investment advisor representative providing advice. Models and strategies used by one investment advisor representative may be different than strategies used by other investment advisor representatives. Some investment advisor representatives may use just one method or strategy while other investment advisor representatives may rely on multiple. We do not require or mandate a particular investment strategy be implemented by our investment advisor

representatives. Further, we have no requirement for using a particular analysis method and our investment advisor representatives are provided flexibility (subject to supervision and compliance requirements) when developing their investment strategies.

Examples of methodologies that our investment strategies may incorporate include:

Asset Allocation - Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk.

Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities’ short term price fluctuations.

Our strategies and investments may have unique and significant tax implications. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indicator of future performance.

Risks specific to the Dynamic 401(k) program: This is an aggressive strategy. Depending on market conditions the system may produce recommendations that result in a highly concentrated portfolio. Because the reports are only generated monthly market conditions in the interim may negatively affect investments prior to a revised recommendation. Subscribers to this program are responsible for making the final determination of suitability of the recommendations to their specific situation. It is important that Clients realize that the “custom” nature of this strategy refers to the unique universe of investment choices within their plan. The strategy does NOT take into consideration specific differences in risk tolerance or investment objectives.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Presidential or the integrity of Presidential’s management. Information regarding disciplinary information can be found under Item 19.

Item 10 – Other Financial Industry Activities and Affiliations

Presidential is a FINRA registered broker/dealer and a licensed Insurance Agency. All of Presidential's advisory representatives are registered representatives of Presidential and may earn sales commissions when effecting securities transactions for clients in that capacity. Most of Presidential's advisory representatives are also licensed insurance agents that generate commissions through the sale of insurance products. Commissions generated by both the brokerage and the insurance products may involve clients that are also clients of the Presidential in its capacity as an advisor. Also, the firm and its representatives receive compensation from the third party program providers described in Item 4. All of these forms of compensation result in a conflict of interest when these products are offered and sold to clients. When making recommendations of these products and services are made only in the best interest of the client.

Presidential also enters into solicitation arrangements with other advisors or money managers to refer Presidential's clients to outside programs and third party money managers. Prior to referring any client to a third party advisor Presidential verifies that they are properly registered with the appropriate federal and/or state agencies responsible for Investment Advisory licensing and registration including, but not limited to, the California Department of Corporations.

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

On occasion, an advisory representative will make the purchase and/or sale of securities for their own accounts that are also recommended to its clients. Presidential has a fiduciary duty to its advisory clients and will always give client trades priority over same-day trades executed for Presidential or and/or affiliated persons.

Presidential has adopted a Code of Ethics which states that high ethical standards are essential for the success of Presidential and to maintain the confidence of clients and clients serviced by its advisory representatives. Presidential's long-term business interests are best served by adherence to the principle that the interests of clients come first. Presidential has a duty to act solely for the benefit its clients. Potential conflicts of interest may arise in connection with the personal trading activities of our personnel. Accordingly, Presidential has adopted this Code of Ethics containing provisions designed to (1) prevent improper personal trading; (2) identify conflicts of interest; and (3) provide a means to address any actual or potential conflict of interest. Adherence to the Code of Ethics and the related restrictions on personal investing is considered a basic condition of employment by Presidential. Clients or potential clients may receive a copy of this Code of Ethics by contacting Presidential at 800-230-1288.

Item 12 – Brokerage Practices

As an advisor, Presidential recommends to its clients that they use the firm's clearing broker-dealer for custodial and brokerage services for wrap accounts offered by WFA. The fees and/or commissions charged by Presidential for its advisory services as well as for execution services as a broker-dealer may be available at a lower cost elsewhere. Clients are required to use Presidential's broker-dealer for any wrap programs offered by WFA through WFCS.

Occasionally, order errors may occur. When they do, Presidential corrects the error in a manner which makes the client whole. Any losses resulting from order errors are absorbed by Presidential

Item 13 – Review of Accounts

Presidential periodically reviews the performance of accounts including those it refers to third party money managers. Accounts managed on a discretionary basis by Presidential are reviewed regularly by IARs and on a quarterly basis by the Chief Compliance Officer based on a sample population for each of the models offered. Advisory clients may also contact Presidential with questions at any time.

Third party money managers will supply reports to Presidential and to clients referred by Presidential as described in the disclosure brochures of the respective money managers. Discretionary accounts managed by Presidential will receive statements at least quarterly from the custodians where their accounts are domiciled.

Item 14 – Client Referrals and Other Compensation.

Presidential's advisory representatives also sell securities and insurance products, in their separate capacities as registered representatives and insurance agents, for sales commissions. Some of the advice offered by advisory representatives involve investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as a 12(b)-1 fee. The advisory representatives may receive a portion of the 12(b)-1 fee from some investment companies in their separate capacities as registered representatives. Clients should be aware that these 12(b)-1 fees come from fund assets, and thus, indirectly from client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12(b)-1 fees or higher 12(b)-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest. While the advisory representatives of Presidential endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of the advisory representatives when making recommendations.

Presidential may receive, from time to time, compensation in the form of marketing expense reimbursements from various Mutual fund, UIT or Insurance companies or REITs. These reimbursements may be related to Presidential's Advisory business, its activities as an Insurance Agency or as a Broker/Dealer, and are usually a direct result of, and in proportion to, business conducted with the reimbursing company.

Presidential also benefits by recommending the programs and services of WFCS and WFA. These firms provide services to Presidential which enhance Presidential's operations and support structure. For example, these firms may provide software, research, reporting capabilities, fee-billing assistance, compliance notices, account access and order entry services which, if not provided, would have to be obtained elsewhere. Because such services are provided for little or no cost, a conflict of interest exists when Presidential recommends these firms to clients for custody and brokerage services.

Solicitation Arrangements - Presidential may enter into agreements with Solicitors (Referring Parties) to refer clients to Presidential. If a referred client enters into an investment advisory agreement with

Presidential, a cash referral fee may be paid to the referring party, which is based upon a percentage of the client advisory fees that are generated. Presidential will only enter into such arrangements with individuals properly registered as solicitors and follow CCR 260.236(c)(2) requirements. Presidential also enters into solicitation arrangements with other advisors or money managers to refer Presidential's clients to outside programs. Under these circumstances Presidential and/or its advisor representatives may be paid a cash referral fee, which is based upon a percentage of the client advisory fees that are generated. In either circumstance the referral agreements between any referring party and Presidential, and vice versa, will not result in any charges to clients in addition to the normal level of advisory fees charged. However, a conflict occurs any time the fees paid to the referrer are greater than fees derived by referring the client to another advisor. Presidential's Relationship with WFCS – Presidential utilizes WFCS for clearing and custodial services. As a result, Presidential may receive income from WFCS as it relates to these clearing and custodial services.

Item 15 – Custody

Presidential is deemed to have custody of client assets only to the extent that it can authorize the payment of advisory fees from a client's account.

Clients should receive at least quarterly statements from the qualified custodian that holds and maintains client's investment assets. Presidential urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Depending on the program chosen, Presidential or of its representatives may have discretionary authority limited to the trading of securities in a client's account. Other programs require the client to grant trading authority to a third-party manager. Discretionary trading authorization must be granted in writing by the client and will be included in the advisory agreements when applicable.

The standard advisory agreements for FundSource, Masters, DMA and Compass includes language that grants Presidential discretionary authority to change managers or funds. However, Presidential does not utilize this discretionary authority except when granted under a separate written authorization.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Presidential does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Presidential may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Presidential's financial condition. While Presidential retains discretionary authority over some client's investment advisory accounts, it has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Additionally, Presidential does not solicit the prepayment of more than \$500 in fees per client, more than six months or more in advance.

Item 19 – Requirements for State Registered Advisors

We assure you that all material conflicts of interest under CCR Section 260.238(k) regarding Presidential Brokerage, Inc., its representatives or any of its employees, that could be reasonably expected to impair the rendering of unbiased and objective advice, are fully disclosed.

Executive Officers and Managers:

Daniel G. Lempe - As its founder and President he has been employed with Presidential since June 1991. He attended the University of Minnesota, Duluth from 1976-1980.

John A. DuPriest - Mr. DuPriest joined the firm as CEO in January 1998 and has served in that capacity since that time. He received a Bachelor of Arts degree in Social Sciences from the University of Denver.

Anthony J. Campen - Mr. Campen is the firm's Chief Compliance Officer and has been employed by Presidential since August 1995. He received a Bachelor of Science degree in Business Administration from California State University, Chico.

Cory Davern - Mr. Davern as a Vice President/Director has been employed with Presidential since April 2012. He attended the University of Minnesota Duluth from 1988-1990.

Presidential Brokerage is not actively engaged in any business other than giving investment advice.

Neither Presidential Brokerage nor any of its supervised persons are compensated for any advisory services based on performance based fees.

Regulatory Action Disclosure:

In 2005 Presidential Brokerage and Mr. Campen, without admitting or denying the allegations, consented to the described sanctions and to the entry of findings that: the firm, acting through Mr. Campen, reported customer complaints with inaccurate information and failed to report, or reported late, matters that required disclosure within 10 days pursuant to NASD rule 3070; reported late amendments to forms U4 and forms U5 and did not disclose information required to be disclosed on a form U5. The findings also stated that the firm, acting through Mr. Campen, failed to establish a supervisory system, and failed to establish, maintain, and enforce written supervisory procedures reasonably designed to achieve compliance with applicable NASD rules pertaining to rule 3070 reporting, the timely and accurate filing of forms U4 and U5, and the suitability of mutual funds share class recommendations. The NASD found that the firm, acting through Mr. Campen, failed to supervise the activities of registered representatives who

were employing trading strategies (having acquired verbal discretion approval but not approval in written form) with customers located abroad in a manner reasonably designed to achieve compliance with NASD rules. In addition, the findings stated that the firm, acting through a former employee, recommended the purchase of mutual fund "class B" shares to customers for whom a recommendation of "class A" shares would have been economically more beneficial.

As a result of the above referenced action, Presidential Brokerage and Mr. Campen were censured, and fined \$70,000 jointly and severally (of which \$65,083.00 was allocated to reimburse public customers) and Mr. Campen was suspended from acting in a supervisory capacity for 15 business days.