

DOL Notification

Bley Investment Group, Inc.

Disclosure Concerning Investment Advice provided to Retirement Investors Including IRAs and Assets Held in ERISA-Covered Plans

This disclosure is provided to you in connection with investment advice provided to you in connection with assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or a plan described in Section 4975(e)(1)(A) of the Internal Revenue Code (“Code”). This disclosure may supplement other agreement(s) we have entered into with you in connection with your account(s) (“Account”) including, without limitation, any annuity contract or application, account opening agreement, investment program agreement or similar document.

References in this disclosure to “you” refer to the beneficial owner of an IRA, Roth IRA, Archer Medical Savings Account, or a participant in a Plan subject to ERISA, or a Retail Fiduciary of a Plan or IRA (or a Roth IRA). References to “us” or “we” refer to Bley Investment Group, Inc. (“Financial Institution”) and references to your “Registered Representative” refer to the individual Registered Representative whose name appears on your account statement which is the Registered Representative who is assigned to your Account. Capitalized terms contained in this disclosure shall have the meanings assigned in Section 5 except where otherwise defined.

This disclosure includes information that is required to be provided to you by the U.S. Department of Labor’s Best Interest Contract Exemption, 81 Fed. Reg. 21002 (April 8, 2016) (“Best Interest Contract Exemption”). That exemption permits your Registered Representative, us, our Affiliates and Related Entities to receive compensation for services in connection with recommendations that we or your Registered Representative may from time to time make to you concerning the purchase, sale or holding of investments for your Account, including any related rollover or distribution recommendations, recommendations on investment policies or strategies, portfolio composition, the selection of other persons to provide investment advice or investment management services, or the selection of investment account arrangements (e.g., brokerage or advisory), without violating the prohibited transaction provisions under ERISA that might otherwise apply. This disclosure is effective only with respect to investment recommendations described in Section 2 that we or your Registered Representative may provide during the period of June 9, 2017 through December 31, 2017. In no event will this disclosure apply to investment recommendations we or your Registered Representative may provide prior to this period.

1. Fiduciary Acknowledgement and Statement of Impartial Conduct Standards

We and your Registered Representative act as “fiduciaries” under ERISA or Section 4975 of the Internal Revenue Code (the “Code”) (to the extent applicable) with respect to any investment advice we or your Registered Representative provide in connection with your Account and its holdings. When providing any such fiduciary advice to you, we and your Registered Representative will adhere to the standards of care described below (the “Impartial Conduct Standards”) –

- i. When providing investment advice to you, we and your Registered Representative provide investment advice that is, at the time of the recommendation, in your “Best Interest.” Advice meeting the “Best Interest” standard is advice that reflects the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on your investment objectives, risk tolerance, financial circumstances, and needs, without regard to the financial or other interests of us or the Registered Representative or any Affiliate, Related Entity, or other party.
- ii. Transactions that we or your Registered Representative recommend will not cause us, your Registered Representative, or our Affiliates or Related Entities to receive, directly or indirectly, compensation for their services that is in excess of reasonable compensation within the meaning of ERISA Section 408(b)(2) or Section 4975(d)(2).
- iii. Statements by us and your Registered Representative to you about transactions subject to this disclosure, fees and compensation, Material Conflicts of Interest, as defined and described in this disclosure, and any other matters relevant to your investment decisions, will not be materially misleading at the time they are made.

2. Services Provided Subject to This Disclosure

We and your Registered Representative will from time to time provide recommendations to you for your Account concerning one or more of the following matters:

- The purchase, sale, exchange or holding of investments for your Account;
- Rollovers, distributions or transfers from your Account;
- Investment policies, strategies or portfolio composition;
- Other persons to provide investment advisory or investment management services (some states require additional licensing for this activity);
- The selection of investment account arrangements (e.g., brokerage or advisory account arrangements).

For the avoidance of doubt, only recommendations that constitute investment advice under regulations issued by the U.S. Department of Labor at 29 C.F.R. § 2510.3-21(a) shall be treated as services under this Section 2 and shall be subject to this disclosure.

3. Material Conflicts of Interest

We have Material Conflicts of Interest when we make investment recommendations to you. A description of these Material Conflicts of Interest is attached as Appendix A.

4. Proprietary Products and Third Party Payments

We do not offer Proprietary Products but we may receive Third Party Payments in connection with the investments we recommend.

A description of these payments is attached as Appendix A.

5. Definitions

The following capitalized terms shall have the meanings indicated when used in this Best Interest Contract (“BIC”).

1. “Affiliate” of a Registered Representative or Financial Institution means:
 - Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with the Registered Representative or Financial Institution. For this purpose, “control” means the power to exercise a controlling influence over the management or policies of a person other than an individual;
 - Any officer, director, partner, employee, or relative (as defined in ERISA Section 3(15)), member of family (as defined in Code Section 4975(e)(6)) of, or partner in, the Registered Representative or Financial Institution; and
 - Any corporation or partnership of which the Registered Representative or Financial Institution is an officer, director or partner.
2. A “Material Conflict of Interest” exists when a Registered Representative or Financial Institution has a financial interest that a reasonable person would conclude could affect the exercise of its best judgment as a fiduciary in rendering advice to you.
3. A “Plan” means any employee benefit plan described in Section 3(3) of ERISA and any plan described in Section 4975(e)(1)(A) of the Internal Revenue Code.
4. “Related Entity” means any entity other than an Affiliate in which the Registered Representative or Financial Institution has an interest which may affect the exercise of its best judgment as a fiduciary.
5. “Retail Fiduciary” means a fiduciary of a Plan or individual retirement account (“IRA”) that is not described in Section (c)(1)(i) of the Regulation (29 CFR 2510.3-21(c)(1)(i)).
6. “Retirement Investor” means—
 - A participant or beneficiary of a Plan subject to Title I of ERISA or described in Section 4975(e)(1)(A) of the Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution,
 - The beneficial owner of an IRA acting on behalf of the IRA, or
 - A Retail Fiduciary with respect to a Plan subject to Title I of ERISA or described in Section 4975(e)(1)(A) of the Code or IRA.
7. “Proprietary Product” means a product that is managed, issued or sponsored by the Financial Institution or any of its Affiliates.
8. “Third Party Payments” include sales charges when not paid directly by the Plan, participant or beneficiary account, or IRA; gross dealer concessions; revenue sharing payments; 12b-1 fees; distribution, solicitation or referral fees; volume-based fees; fees for seminars and educational programs; and any other compensation, consideration or financial benefit provided to the Financial Institution or an Affiliate or Related Entity by a third party as a result of a transaction involving a Plan, participant or beneficiary account, or IRA.

Appendix A

Description of Material Conflicts of Interest and Brokerage Compensation

Like all financial services companies, Bley Investment Group, Inc. (“BLEY”) has conflicts of interest. BLEY provides advisory services. BLEY discloses its conflicts of interest related to its advisory programs and services in various Form ADV disclosure brochures provided to you if you open an advisory account and available to you upon request.

BLEY and BLEY Registered Representatives can get paid from a customer directly, or, indirectly from the investment the customer makes. We can get paid a commission at the time of the transaction (upfront), and/or ongoing compensation (typically called a trail payment) depending on how long the customer holds the investment. If we get paid an upfront commission, it means that the more transactions the customer makes, the more we get paid. The amount we receive varies depending on the type of investment a customer makes.

If a customer holds an account at our clearing firms Charge fees and these fees are disclosed in the Fee Schedule provided to you when opening account or on your Investment statements. Customers should ask their Registered Representative if they have any questions about compensation or conflicts of interest.

1. *Commissions and Other Types of Sales Compensation*

- ***Commissions and Sales Charges.*** BLEY and BLEY Registered Representatives can receive commissions when they execute securities transactions (buys or sells). A commission, which also can be called a sales load, sales charge or placement fee, is typically paid upfront, can reduce the amount available to invest, can be charged directly against an investment and is often based on the amount of assets invested. Commissions vary from product to product. For more information about the commissions that apply to a particular transaction, please refer to the applicable prospectus or other offering document and/or transaction statement.
- ***Mark-up/Mark-down.*** If a customer holds an account at BLEY, when BLEY buys from or sells to the customer a security in a principal capacity, BLEY and and/or the BLEY Registered Representative may receive a mark-up or mark-down on the transaction. This means, for example, if we sell a security at a price higher than what we paid, we will earn a portion of the mark-up. Conversely, if we buy a security at a price lower than what we sell it for, BLEY will receive a portion of the mark-down. Mark-up/downs typically apply to transactions in bonds or other fixed-income securities.
- ***Direct Fees and Charges.*** If a customer holds an account at our clearing firm through our triparty clearing partner, Saxony charges miscellaneous fees directly to the account such fees as transaction service charges, account transfers, and retirement account maintenance. For fees that apply “per event” are disclosed on the Basic Fee Schedule as “per event”, and the more per event transactions that result from a BLEY Registered Representative recommendation, the more fees that our clearing firm and tri-party Saxony receives. These miscellaneous fees are not typically shared with BLEY Registered Representatives.

2. **Third-Party Compensation.** BLEY and BLEY Registered Representatives receive compensation from investment sponsors, in connection with investments the customers make in securities, such as mutual funds, annuities, and alternative investments. The types of third-party compensation are described below.
 - **Trail Compensation.** BLEY and BLEY Registered Representatives receive ongoing compensation from mutual funds, annuities and alternative investments. This compensation (commonly known as trails or Rule 12b-1 fees) is typically paid from the assets of the mutual fund, annuity, or alternative investment under a distribution or servicing arrangement with the investment sponsor, is calculated as an annual percentage of invested assets, and is shared between BLEY and the BLEY Registered Representative. The amount of trail payments received varies from product to product. For more information about trail compensation received with respect to a particular investment, please refer to the prospectus or offering document for the investment.
 - **Concessions.** In certain cases, BLEY and BLEY Registered Representatives receive compensation from a mutual fund sponsor in connection with transactions for which sales charges are waived or under other circumstances and as described in a fund's offering documents. BLEY receives concessions from investment sponsors for other types of investments. These concessions vary from product to product, and are generally shared between BLEY and the BLEY Registered Representative.
 - **Cash Sweep.** If a customer holds an account at our clearing firm through our tri-party partner, Saxony, and through BLEY a service is offered to sweep cash held within accounts into an interest-bearing FDIC insured cash account ("ICA") or money market funds. Under the agreement with each ICA or money market fund in which customer cash is deposited, Saxony receives a portion of the fee equal to a percentage of the average daily deposit balance. For accounts held at Saxony that are not eligible for the ICA, uninvested cash balances are automatically invested in a money market fund. Saxony receives compensation for marketing support from these fund sponsors. These payments are in addition to recordkeeping and 12b-1 fees received by BLEY. This compensation is currently being retained by Saxony and is not shared with BLEY.
 - **Additional Compensation from Investment Sponsors.** BLEY, its employees and BLEY Registered Representatives are able to receive additional compensation, business entertainment and gifts from investment sponsors. On occasion, investment sponsors provide BLEY and BLEY Registered Representatives reimbursements in connection with educational meetings, customer appreciation events, marketing efforts or other similar initiatives.
3. **Error Correction.** If a customer holds an account at our clearing firm through Saxony and BLEY, in the event a trade error occurs in the account, and such error is determined to be caused by BLEY, BLEY will cancel the trade and remove the resulting monetary loss to a customer from the account. If a trade correction is required as a result of a customer (e.g., if a customer does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), BLEY will cancel the trade and any resulting monetary loss will be borne by the customer. In the case of a trade that requires a correction as described above and that resulted in a monetary gain to the

customer, such gain may be removed from the account and may result in a financial benefit to Saxony.

4. **Compensation for Other Services.** BLEY and BLEY Registered Representatives can offer various types of advisory and brokerage programs, platforms and services. BLEY and BLEY Registered Representatives may earn more or less if a certain type of service, program or platform is recommended.
5. **Registered Representative Compensation.** BLEY generally compensates BLEY Registered Representatives pursuant to an independent contractor agreement or as employees. BLEY Registered Representatives are entitled to receive compensation and other benefits from BLEY, as described below.
 - o **Cash Compensation.** BLEY typically pays a BLEY Registered Representative a percentage of the revenue he or she generates from sales of products and services. The percentage received can vary depending on his or her agreements with BLEY and the investment product or service recommended, and can be more or less than what he or she would receive at another brokerage firm. Although BLEY does not typically pay bonuses to its Registered Representatives, the payments may include a bonus or an increase in percentage payout that is based on the amount of revenue a BLEY Registered Representative generates through BLEY or administrative duties.
 - o **Recruitment Compensation.** BLEY does not typically pay money upfront money to recruit registered representatives.
6. **Registered Representative's Outside Business Activities.** BLEY Registered Representatives are permitted to engage in certain BLEY approved business activities other than the provision of brokerage and advisory services through BLEY. For example, a BLEY Registered Representative could also be an accountant, a real estate agent, a lawyer, or an employee of a Family Office. As an examples, a Registered Representative could provide insurance services and sell insurance through a separate business. In certain cases, a Registered Representative could receive greater compensation through the outside business than through BLEY.
7. **Rollovers.** If a customer decides to roll assets out of a retirement plan, such as a 401(k) plan, into an individual retirement account (IRA) at BLEY, we have a financial incentive to recommend that a customer invests those assets with BLEY, because we will be paid on those assets, for example, through commissions, fees and/or third-party payments. A customer should be aware that such fees and commissions likely will be higher than those the customer pays through the plan, and there can be custodial and other maintenance fees. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.
8. **Limitations on Our Investment Recommendations.** BLEY and BLEY Registered Representatives may offer and recommend investment products only from investment sponsors with whom BLEY has entered into selling and distribution agreements. Customers may be able to obtain the same or similar investment products and services from another financial institution at a lower cost. In addition, BLEY Registered Representatives are required by applicable rules and policies to obtain licenses and complete certain training in order to recommend certain investment products and

services. Customers should be aware that a BLEY Registered Representative, depending on the licenses or training obtained, may or may not be able to recommend certain investments or services. You may ask a Registered Representative about the securities or services he or she is licensed or qualified to sell.