

Lone Peak Advisers, LLC & Transitional Broker, LLC Form CRS – Client Relationship Summary (ADV Part 3)

Date: 01/29/2021

Item 1: Introduction

LONE PEAK ADVISERS, LLC. (“LPA”) is an investment advisor registered with the Securities and Exchange Commission (SEC) offering advisory accounts and services. LPA is affiliated with TB.

TRANSITIONAL BROKER, LLC (“TB”) is a limited purpose broker-dealer registered with the SEC and member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). TB is affiliated with LPA.

Investment advisory and brokerage services and fees differ, and it is important for you to understand these differences. Generally, an investment advisor is any person or group that provides investment advice or provides investment management services on behalf of a client in exchange for a fee, and a broker-dealer is a firm that buys or sells a security on behalf of a client for which they will usually receive a commission. This document gives you a summary of the types of services and fees we offer. Please visit www.investor.gov/CRS for free, simple tools to research firms and for educational materials about broker-dealers, investment advisors, and investing.

Item 2: Relationships and Services

What investment services and advice can you provide me?

Investment Advisory Services (Lone Peak Advisers - LPA) primarily offers the following investment advisory services to retail investors: *Strategic Allocation* asset management – we create an asset allocation model suitable for the client with periodic review, typically quarterly; *Tactical Asset Allocation* management (requires higher advisory fee) – includes our *Strategic Allocation* asset management with continuous monitoring and frequent changes being made on a tactical economy/market basis including wide swings from cash to fully invested positions and vice versa; *Third Party Asset Manager* services - we select a third party adviser for you to use for portfolio management services and typically monitor performance quarterly. We meet with all clients, regardless of service, at least annually for a full client review. Our firm has discretionary authority to manage clients’ accounts without needing prior client consent. We usually limit the types of investments that are recommended, typically to Equities (mostly ETFs) and mutual funds, however other types of typical brokerage investments may be used. Our firm does *not* have a minimum account size.

Brokerage Services (Transitional Broker-TB) As a limited purpose broker dealer, TB offers variable life & annuity (VLA) products and mutual funds to retail investors including recommendations on the product to purchase and the investment of principal into the variable subaccounts of the VLA product or particular mutual fund of a mutual fund company. We will typically focus on variable annuity products as an investment vehicle for investors looking for tax deferral and/or extra investment protection available through the insurance riders. There are typically both fee based, and commission based variable annuities and mutual funds available. Fee based products do not charge or generate commissions and are typically recommended to clients by a Registered Investment Advisor (RIA) like our affiliated RIA, Lone Peak Advisers described above and who would monitor the account, and assess & collect the related advisory fee. In this scenario, TB would not charge a commission, not actively monitor the investments on behalf of the client, and only act in the capacity of providing the initial broker dealer approval of the product on behalf of LPA, and only if required by the company offering the product. For broker dealer products offered by TB that charge a commission, these would typically be offered by a representative of TB directly to the retail client without any affiliation to LPA or being subject to any advisory fees. In this scenario, the registered representative of TB

recommending the product(s) and receiving the commission would be the one to help the client oversee the recommended investments and assist the client with any monitoring the client requests help with, however it is ultimately the client's responsibility to monitor the investments in their account, and we encourage clients to do so regularly. We do not commit to provide on-going monitoring of client accounts. If the client prefers on-going monitoring of their account(s) or investments, they should speak with a financial advisor about whether an advisory services relationship is more appropriate for them. Overall, the retail investor makes the ultimate decision regarding the purchase or sale of their investments. TB is a limited purpose broker dealer currently approved for and offering VLA and mutual fund products. However, TB is not limited in scope on any of the products or companies it offers within the limited product types it offers. TB has selling agreements in place with numerous companies to offer their products without limitation, is willing to establish a selling agreement with any company to offer any product within its approved business lines that the registered representative and/or client deems best for the client's needs, and does not have or offer any proprietary products. Account minimums typically range from 5-10 thousand for VLA products and \$250 to \$1000 for mutual funds. Account minimums are determined by the life insurance company or mutual fund company offering the product.

For additional information, please see LPA's Form ADV Part 2A ("[Brochure](#)") - Items 4 & 7, and TB's Best Interest Disclosure.

Conversation Starter: Ask your financial professional: *Given my financial situation, should I choose an investment advisory service or 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?*

Item 3: Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

Investment Advisory Services (LPA): You will be charged an advisory fee based on a percentage of the value of the cash and investments in your advisory account. This fee varies depending on the services you agree to on our management agreement, which may also include an annual \$50 admin fee charged per account. Since the advisory fee is a fixed percentage, the more assets you have in your advisory account, the more we collect in fees and thus we have an incentive to increase those assets in order to earn more fees. All fees are typically paid quarterly in arrears and accrued daily. If daily accrual is not possible, we use quarter end value of account. Some custodians or business situations may require to us to collect for the quarter up front. You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected.

Brokerage Services (TB): You typically will be charged a commission on the broker dealer products offered by TB unless a fee based alternative is used in connection to Investment Advisory Services offered by LPA in exchange for a fee. Commission based variable life & annuity (VLA) products and mutual funds will generate a commission that is charged at the time of investment. The commission is based on a percentage of the amount invested into the investment product and is set by the company offering the investment product. Some investments also pay an additional, usually much smaller, annual trail commission to cover the ongoing servicing and management of the investment product by the broker-dealer.

Investment Advisory and Brokerage Services: Some investments (e.g., mutual funds, ETFs, variable annuities, etc.) impose additional internal fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. You also may pay account fees to a custodian that will hold your assets. Additionally, you may pay transaction fees when we buy and sell an investment for your account. **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.

For additional information, please see LPA's Form ADV Part 2A ("[Brochure](#)") – Items 5,6, & 7, and TB's Best Interest Disclosure.

CONVERSATION STARTER: Ask your financial professional: 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 investment advisor (LPA) or when acting as my broker-dealer (TB)? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your investment advisor or act as your broker-dealer, 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 investment advice we provide you. Here are some examples to help you understand what this means:

Investment Advisory Services (LPA): Our proprietary *Tactical Asset Allocation* management services we offer to our clients: We generally earn more in fees by providing this additional service to our clients than if we hired a third party asset manager (TPAM) to provide this same service for our client accounts where the TPAM would earn part of the advisory fees collected. Either way, this typically does not significantly affect, if at all, the total advisory fee the client pays.

Brokerage Services (Transitional Broker): A commission based product such as a variable annuity or mutual fund, that is sold by a financial professional who is dually registered with both Transactional Broker and Lone Peak Advisers: It is not typical, but in the unlikely event a commission based product is sold to a client and subsequently the dually registered representative engages the client for advisory fee based portfolio management services provided by LPA to manage the commission based product, an advisory fee would be charged to the client in addition to the commission earned on this investment. In this situation, it is our policy to provide a clear reason showing it is in the client's best interest and a concession on the advisory fee to reduce or avoid any conflicts of interest due to the commission. An example would be a large reduction of the advisory fee or the waiving of the advisory fee for the first 1-2 years from the date of purchase of the commission based product.

For additional information, please see LPA's Form ADV Part 2A ("[Brochure](#)"), and TB's Best Interest Disclosure.

CONVERSATION STARTER: Ask your financial professional: How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Investment Advisory Services (LPA): Our investment advisory financial professionals are compensated by receiving a portion of the total advisory fees they generate from providing advisory services to their clients. This compensation may vary based on different factors, such as those listed above in this Item. So, the greater amount of assets they provide advisory services for, the more they will be compensated. Our financial

professionals may also receive commissions from clients if they are dually registered with our broker-dealer, Transitional Broker and sell commission products under that entity. Please also see Item 10 of our ADV Part 2A ([Brochure](#)) for additional details.

Brokerage Services (TB): Our broker-dealer financial professionals are compensated by receiving a portion of the total commissions they generate from selling commissionable products to their clients. The commission can vary by product and are generated on each new product purchased. So there is a potential conflict of interest for the financial professional to sell higher commission earning products or to have more clients conduct more new product purchase transactions than they otherwise would to generate more revenue. Our broker-dealer financial professionals also may have the rare and pre-approved ability to receive investment advisory fees from clients if they are dually registered with our investment advisor, Lone Peak Advisers and provide advisory services under that entity.

Conversation Starter: Ask your financial professional: *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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? How might your conflicts of interest affect me, and how will you address them?*

Item 4: Disciplinary History

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

Yes. Visit <https://www.investor.gov/CRS> for a free, simple search tool to research us and our financial professionals.

CONVERSATION STARTER: Ask your financial professional: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Item 5: Additional Information

For additional information on our advisory services through Lone Peak Advisers, see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/296772> and any individual brochure supplement your representative provides. For additional information on our brokerage services through Transitional Broker, see our **Best Interest Disclosure statement by contacting us at the number provided**. If you have any questions in general regarding any services, need additional help, or want another copy of this Client Relationship Summary, then please **contact us at 801-855-8886**.

CONVERSATION STARTER: Ask your financial professional: *Who is my primary contact person? Is he or she 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?*

Exhibit A – Material Changes to Client Relationship Summary