

Revenue Sharing

Peak Brokerage Services, LLC (**Peak**) has Strategic Partnerships with various Service Providers that are core to the products & services that our Representatives (Brokers & Advisors) offer & sell to their clients. Service Providers include but are not limited to mutual fund companies, insurance companies, direct participation companies (real estate investment trusts, etc.), money managers, custodians and financial technology companies.

These Strategic Partnerships take shape in different ways, but generally speaking, it involves the Service Provider paying compensation (more commonly referred to as Revenue Sharing and sometimes referred to as Marketing Allowance) to Peak for access to its Representatives for the purposes of marketing, business development, training & education. This marketing, business development, training & education is delivered in various forums such as webinars, seminars, workshops & conferences; and such forums can be that of the Service Provider's or that of Peak's. In some cases, as it relates to financial technology companies, the Service Provider may not pay any type of Revenue Share compensation, but instead, they may provide our Representatives discounts on their technology services (such as website services, portfolio analytics, reporting, financial planning, etc.). This type of marketing, business development, training & education is designed to keep our Representatives well-informed in order to provide quality service to their clients.

Revenue Sharing is structured in various ways, but the important factor to know is that such Revenue Sharing compensation is not paid to the Representatives, nor does it impact the level of compensation a Representative is paid for selling a particular product, which could be deemed a conflict of interest in connection to their sales practices. Instead, the Revenue Sharing compensation is paid to PEAK, and as previously stated, this compensation is used to fund & support marketing, business development, training & education that is delivered in various forums such as webinars, seminars, workshops & conferences. This Revenue Sharing compensation is also known as a Sponsorship in the context of our national conference.

As previously stated, the Revenue Sharing can be structure in various ways. In some cases, the Revenue Sharing arrangement can be structured as a basis point (example: .10% or 10 basis points) that is equal to the purchase amount of a particular product – or – it can be structured as a basis point (example .05% or 5 basis points) for assets held at a particular Service Provider, such as an insurance company. However, it is more common & customary for such Revenue Sharing compensation from a Service Provider to be paid via a fixed or flat dollar amount which is predicated by various factors such as a Service Provider's budget capabilities and strategic business planning objectives.

Service Providers that pay Peak this Revenue Sharing compensation are featured on the same "approved products and/or services" lists along with other Service Providers that do not pay such Revenue Sharing compensation. Therefore, such Revenue Sharing scenarios do not create any conflicts as it relates to a "preferred" list that would otherwise feature or promote such Revenue Sharing Service Providers. Our Representatives are not privy to know the details of, nor are they party to, any Revenue Sharing relationship that Peak has with its Service Providers. This emphasizes the fact that such Revenue Sharing scenarios are strictly between Peak and the Service Provider for the specific intent of marketing, business development, training & education.

In some cases, a Service Provider may reimburse a Representative for marketing event that the Representative may have held for clients or prospective clients. These Marketing Reimbursements are separate & distinctly different than the aforementioned Revenue Sharing topic between Peak and its Service Providers. Such Marketing Reimbursements may influence a Representative to promote one Service Provider over another; therefore, you may want to inquire if your Representative engages in such practices.

