

## Regulation Best Interest Disclosure

This disclosure is drafted in order to disseminate important information about the terms of the brokerage services we offer here at ATIS Inc. Furthermore, this document will review any material conflicts of interest that would arise through the brokerage services we offer to you. We encourage our clients to review all of the documentation they receive from us carefully and ask any questions that may arise from the disclosure.

Upon a client opening an account at ATIS, it will be decided as to what capacity the client will be charged. This will allow for the relationship to know in what capacity their financial advisor is acting. All recommendations regarding your brokerage account will be made in the broker-dealer capacity, and all investing advice regarding your advisory account will be made in an advisory capacity. If a client has multiple accounts that are both brokerage and advisory, we will specify to the client orally in what capacity we are operating in at that given time. The “Level of Service” agreement will disclose the chosen capacity. Further disclosure is not necessary unless the client inquires, or the client would like to change the arrangement.

The rest of this disclosure can be broken down into the following sections:

- Services Offered
- Products Offered
- Brokerage Fees and Compensation
- Conflicts of Interest

### **Services Offered**

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As a new client, sitting down with an ATIS Advisor is important to ultimately allow for us to determine what type of service you, the client, may be looking for. Ultimately the two services to select from are Advisory or Brokerage Services. One of the big difference between the two services is compensation method. In a brokerage account, the advisor is compensated on a trade-by-trade basis. An advisory service account fee is calculated on a fee basis. Other differences are explained in the level service agreements. At the time an account is created, the client can be shown a side-by-side comparison of different levels of service offered by each program. Ultimately, the client selects which structure is most suitable for the relationship. Once enrolled in a program, the client can ask their advisor about other levels of service and make changes.

When considering different types of investments, whether the account is advisory or brokerage, we will work with you to be sure your investments are compatible with the type of account you have. Example - if the client is interested in purchasing a specific mutual fund, we

will purchase either A or C shares depending on the time horizon. Or we will purchase the Institutional or F-2 shares if the account is Advisory.

Ultimately when it comes to the decision of choosing a type of investment service, advisory or brokerage, it comes down to the different types of service that the client would like to have. It is ATIS policy to have the client pick the program most suitable for them, rather than ATIS pushing a specific program.

When it comes to choosing the type of accounts such as Individual, Joint with Rights to Survivorship, Traditional IRA, or ROTH IRA. The advice will always be in the context of what is in the best interest of the Customer. Money coming from qualified plans will be placed into qualified accounts. When it comes to nonqualified money, the decision to place it into a qualified account or keep it nonqualified ultimately will be decided in regard to what the future purpose of the money is to be used for. Our approach is to consider minimal tax burden to the clients while accomplishing their goals and fulfilling their needs.

### **Account Monitoring**

At ATIS, each one of our clients sign a level of service agreement during account opening. This document explains the level of service they should expect from us, and what type of reviews/ account monitoring may take place. When it comes to ATIS advisors reviewing customers holdings it is always done on a volunteer basis. This allows us to determine if any recommendations need to be made to the client. If a client would like for us to monitor their account on a particular frequency, we will include such agreement in the level service agreement.

### **Care, Skill and Cost**

When an ATIS advisor sits down with a new client, it is our job to listen carefully in order to understand what unique situation they have in order to offer the best service to them. Through conversations and asking specific questions, we get to understand what specific goals they may have, and what goals we will strive for. When it comes to making investment selections in a client's accounts, we are sure to take into consideration special care, skill, and always look at the cost. We will make you aware that there may be underlying fees that come with the investment product. Underlying fees are most commonly found in Mutual Funds or ETFs. If the fees/expenses associated with a specific investment are too high, a revaluation will take place and a new but similar option may be purchased. If the cost can be justified, then the investment recommendation may take place.

### **Understanding Risk**

It is important that you, the client, understand all investment recommendations and activities involve risk, including the risk that you may lose some of or your entire principal. Furthermore, some investments involve more risk than other investments. Higher risk investments may have the potential for higher returns, but also for greater losses. If you have high risk tolerance, then

you may decide to invest in higher-risk investments that offer potential for greater returns. At ATIS we align risk tolerances with investment needs to offer you different investment objectives. Every client should select the investment objective and risk tolerance that best aligns with their brokerage account goals and needs when they open up there account. Throughout the lifetime of the account at ATIS, we understand that there may be changes to your current investment goals and risk tolerances. That is why we will update your profile from time to time.

## **Products Offered**

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### **Product Limitations**

At ATIS, we do not place limits on customer purchase selections. However, limitations are upheld when a client attempts to buy a mutual fund below the allowed minimum. When this situation occurs, we attempt to replace the investment selection with a different fund family having similar strategy and lower entry.

### **High-Risk and Complex Products**

Although we can buy and sell securities such as inverse and leveraged ETF's, high risk, or complex products, we do not recommend these types of investments. When an asset of this degree is placed into an account it will be solely at the discretion of the client. Upon the supervisory approval of such trades, the advisor will be questioned, and the Supervisory Principal will note their reasoning for allowing such a transaction. If an account is transferred in with these types of investments, it will be noted.

### **Reasonably available alternatives**

When dealing with alternative products, ATIS offers any investment that can be bought through the Clearing House, RBC Clearing and Custody. If the client makes specific product inquiries, we will try to accommodate the client. If we are unable to buy the product, we will seek an alternative. If a client shows disinterest in an advisor recommendation, we will take note and steer away from those type of recommendations. Our goal is to help the client build a suitable portfolio which meets their financial objectives.

## **Brokerage Fees and Compensation**

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ATIS brokerage account clients will be charged commission based on the following chart:

### **Stocks Priced Under \$1**

| <b>Principal in Trade</b>      | <b>Commission</b> |
|--------------------------------|-------------------|
| \$0 but less than \$1,000      | 5% of Principal   |
| \$1,000 but less than \$10,000 | 5% of Principal   |
| \$10,000 and above             | 5% of Principal   |

Stocks Priced \$1 and above/100 share round lot and odd lots

| Principal in Trade            | Commission                    | Odd Lot Subtract |
|-------------------------------|-------------------------------|------------------|
| \$0 but less than \$800       | 3.089% of Principal + \$14.52 | \$3.09           |
| \$800 but less than \$2,500   | 2.008% of Principal + \$24.75 | \$3.09           |
| \$2,500 but less than \$5,000 | 1.390% of Principal + \$40.15 | \$3.09           |
| \$5,000 and above             | 1.453% of Principal + \$41.98 | \$3.09           |

Stocks Priced above \$1 multiple round lots

| Principal in Trade              | Commission                     | Plus 1-10 Round Lot | 11 & above |
|---------------------------------|--------------------------------|---------------------|------------|
| \$0 but less than \$2,500       | 2.008% of Principal + \$26.25  | \$9.27              | \$6.18     |
| \$2,500 but less than \$5,000   | 1.390% of Principal + \$41.70  | \$9.27              | \$6.18     |
| \$5,000 but less than \$20,000  | 1.453% of Principal + \$43.59  | \$9.69              | \$6.46     |
| \$20,000 but less than \$30,000 | 0.969% of Principal + \$142.09 | \$9.69              | \$6.46     |
| \$30,000 and above              | 0.646% of Principal + \$229.27 | \$9.69              | \$6.46     |

ATIS Minimum charge is \$50.00. However, the advisor can seek supervisor approval to charge less. Typically, ATIS offers a 20% discount from the standard rate above the minimum for clients in good standing.

Clients will also be charged incidental clearing fees, such as:

- Custodial Fees: If a client has an IRA or ROTH IRA, they are charged an annual \$35 custodial fee on the annual account opening month. The fee is waived for Advisory accounts.
- Annual Account Fee: Nonqualified account households under \$100,000 are charged a \$50 annual account fee. The annual account fee is charged in the second week of December. Clients choosing to go paperless will have the fee waived. Once again, the fee is waived for Advisory accounts.

Advisory accounts are charged on a calendar quarter. The amount charged is calculated based on the advisory fee percentage and days in the quarter. The fees are ultimately charged to the account between the 15<sup>th</sup> and 18<sup>th</sup> of that quarter depending on when the weekend hits for that given month. Fees for accounts opened after the 1<sup>st</sup> of the quarter are prorated.

We do not require that clients retain a minimum balance to retain a relationship. However, when the balance is \$0.00, the account will eventually be purged.

### **Excessive Trading**

The Compliance Officer, John Evanich, reviews the trades from the previous day. The Prosvu system flags accounts for excessive trades. If the system does not flag an account, but the compliance officer believes that certain trades are excessive, he will meet with the advisor who made the trades to discuss the rationale. If a pattern of excessive trades develops, the Compliance Officer will determine necessary action.

### **Additional Compensation**

For purposes of this document, anything given to an employee for free is considered non-cash compensation. This definition is not meant to correlate with IRS rules. Based on that clarification, non-cash compensation is provided to ATIS Financial Advisors from time to time in the form of education meetings. These meetings most likely are sponsored by external vendors, such as Allianz, Jackson National, Nationwide, or mutual fund companies. Consequently, when product providers sponsor these meetings, they obtain opportunity to build relationships with those in attendance. Those relationships can ultimately lead to business for the provider. Furthermore, financial professionals could receive promotional items such as meals, entertainment, or noncash compensation up to \$100 per year. All gifts and meals are monitored as described in the Firm's supervisory procedures.

The business relationships created do not impact fees and expenses generally associated with client investments. However, these relationships can present a conflict of interest with vendors providing additional incentive for ATIS to choose their investments. ATIS monitors these relationships on a regular basis to be sure the clients are receiving investments that meet their goals. Always refer to the specific investment prospectus or contract for specific detail.

Lastly, ATIS does not engage in sales contests.

### **Conflicts of Interest**

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Conflicts of interest exist when we provide our brokerage services to you. The SEC definition of a "Conflict of interest" is "an interest that might incline a broker, dealer, or a natural person who is an associated person of a broker or dealer- consciously or unconsciously - to make a recommendation that is not disinterested." The mere presence of a conflict-of-interest does not imply that harm to your interests will occur. However, it is important that we acknowledge and disclose the presence of any conflicts of interest. Our Supervisory Procedures outline how we attempt to avoid potential conflicts of interest with your account.

Our conflicts of interest are typically from compensation we are paid for servicing you. Since we offer a broad range of investment services and products, we receive compensation in various forms. Securities rules allow for us to receive compensation when we provide our brokerage

services to you. Compensation we may receive varies based upon the product or the service that is purchased. Thus, creating a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to an ongoing approach to identify, mitigate, and avoid any conflicts of interests that may arise in the future, to be sure we are always acting in the clients' best interest. Information listed above is not meant to be a list of all conflicts of interest we may have, but an effort to describe the conflicts of interest that may arise during your brokerage relationship with us. In addition to this disclosure, there is a section on Form CRS which describes conflicts of interest. Form CRS is one of the regulatory disclosures you have received.

ATIS advisors have incentive to recommend rolling your assets from your qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA) because of compensation we will receive. ATIS maintains strict supervisory and compliance procedures designed to ensure that rollover recommendations are suitable, in the best interest, and are aligned with the clients financial investing and retirement goals.