PROSPERITAS FINANCIAL, LLC
PRIVACY NOTICE

Maintaining the trust and confidence of our clients is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of Prosperitas Financial, LLC ("Prosperitas Financial").

Information We Collect: In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, including:

- Information we receive from you on account applications, such as your address, date of birth, Social Security Number, occupation, financial goals, assets and income;
- Information about your transactions with us, our affiliates, or others;
- Information about your visits to our website. We store records of the activities on our sites in our web server logs, which automatically capture and save the information electronically. The information we collect helps us administer the site, analyze its usage, protect the website and its content from inappropriate use, and improve the user's experience.
- Information received from credit or service bureaus or other third parties, such as your credit history or employment status.

Categories of Information We Disclose: We may only disclose information that we collect in accordance with this policy. Prosperitas Financial does not sell customer lists and will not sell your name to telemarketers.

Categories of Parties to Whom We Disclose: We will not disclose information regarding you or your account at Prosperitas Financial, except under the following circumstances:

- To entities that perform services for us or function on our behalf, including financial service providers, such as a clearing broker-dealer, investment company, or insurance company, other investment advisers;
- To comply with broker-dealer firms that have regulatory requirements to supervise certain representatives' activities;
- To consumer reporting agencies,
- To third parties who perform services or marketing, client resource management, or other parties to help manage your account on our behalf;
- To your attorney, trustee or anyone else who represents you in a fiduciary capacity;
- To our attorneys, accountants, or auditors; and
- To government entities or other third parties in response to subpoenas or other legal processes as required by law or to comply with regulatory inquiries.

How We Use Information: Information may be used among companies that perform support services for us, such as data processors, client relationship management technology, technical systems consultants, and programmers, or companies that help us market products and services to you for a number of purposes, such as:

- **To protect your accounts/non-public information** from unauthorized access or identity theft;
- **To process your requests** such as securities purchases and sales;
- **To establish or maintain an account with an unaffiliated third party**, such as a clearing broker-dealer providing services to you and/or Prosperitas Financial;
- **To service your accounts,** such as by issuing checks and account statements;
- **To comply** with Federal, State, and Self-Regulatory Organization requirements;
- **To keep you informed** about financial services of interest to you.

Regulation S-AM: Under Regulation S-AM, a registered investment adviser is prohibited from using eligibility information that it receives from an affiliate to make a marketing solicitation unless: (1) the potential marketing use of that information has been clearly, conspicuously and concisely disclosed to the consumer; (2) the consumer has been provided a reasonable opportunity and a simple method to opt out of receiving the marketing solicitations; and (3) the consumer has not opted out. Prosperitas Financial does not receive information regarding marketing eligibility from affiliates to make solicitations.

Regulation S-ID: Regulation S-ID requires our firm to have an Identity Theft Protection Program (ITPP) that controls reasonably foreseeable risks to customers or to the safety and soundness of our firm from identity theft. We have developed an ITPP to adequately identify and detect potential red-flags to prevent and mitigate identity theft.

Our Security Policy: We restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties. We maintain physical, electronic, and procedural security measures to safeguard confidential client information.

Cyber Security: Internal policies and procedures are in place to address cyber security. A copy of this policy is available upon request.

Departing Investment Adviser Representatives ("IARs"): If your IAR's affiliation with Prosperitas Financial ends and he or she joins a non-affiliated securities broker-dealer or registered investment adviser, Prosperitas Financial will permit the IAR to use certain client contact information to solicit clients to join the IAR's new financial services provider. The client contact information that the IAR may use is limited to your name, address, email address, phone number and account title.

Certain states have adopted a requirement for you to approve the sharing of information in advance, otherwise known as an "opt-in" choice. If you live in an "opt-in" state (e.g., California, Massachusetts, Maine, Alaska, North Dakota or Vermont), then Prosperitas Financial will require your consent to share your information with unaffiliated third parties who are not servicing your account. State requirements vary and may change without notice.

Succession Planning: In the event that the owner(s) of Prosperitas Financial retire, become incapacitated, or perish unexpectedly, your information would be disclosed to an unaffiliated third party for the purposes of facilitating a business succession plan. A change in control of ownership of Prosperitas Financial would require your consent, as dictated by your signed agreement with Prosperitas Financial, in order to continue providing services to you.

Your Right to Opt Out: Federal privacy laws give you the right to restrict us from sharing your personal financial information. These laws balance your right to privacy with Prosperitas Financial's need to provide information for normal business purposes. You have the right to opt out of sharing certain information with affiliated and unaffiliated companies of our firm. Choosing to restrict the sharing of your personal financial information will not apply to (1) your information that we may share with companies that help promote and market our own products or products offered under a joint agreement with another company; (2) records of your transactions--such as your loan payments, credit card or debit card purchases, and checking and savings account statements--to firms that provide data processing and mailing services for our firm; (3) information about you in response to a court order; and (4) your payment history on loans and credit cards to credit bureaus. If you opt out, you limit the extent to which Prosperitas Financial can provide your personal financial information to non-affiliated companies. You may opt out of the disclosure of nonpublic personal financial information to non-affiliates by contacting Prosperitas Financial at (661) 255-9555.

Closed or Inactive Accounts: If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.

Complaint Notification: Please direct complaints to: Mark Petersen at Prosperitas Financial, LLC, 25060 Avenue Stanford, Valencia, CA 91355; (661) 255-9555.

Changes to This Privacy Policy: If we make any substantial changes in the way we use or disseminate confidential information, we will notify you. If you have any questions concerning this Privacy Policy, please contact us at: Prosperitas Financial, LLC, 25060 Avenue Stanford, Valencia, CA 91355; (661) 255-9555.

DOL PTE COMPLIANCE FORM

The Department of Labor ("DOL") recently adopted Prohibited Transaction Exemption 2020-02 ("PTE"), which enables advisers to receive compensation for several types of transactions if certain disclosure and documentation requirements are satisfied. The DOL's PTE rule covers advisers giving advice to clients about whether to roll over 401(k) assets into an IRA or moving one IRA to another IRA. In order to comply with the DOL's PTE rule, advisers must document and disclose the specific reasons that any rollover or transfer recommendations are in the investor's best interest. This form is designed to comply with the DOL PTE by including an acknowledgment of our firm's fiduciary responsibility, a discussion of the typical qualified plan distribution options available to investors, and an explanation of our firm's recommendation. If you have any questions, please contact us at your earliest convenience.

FIDUCIARY ACKNOWLEDGMENT

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services.
- Give you basic information about conflicts of interest.

QUALIFIED PLAN ROLLOVER DISTRIBUTION OPTIONS

Employer-sponsored plans such as 401(k)s, 403(b)s and certain pensions plans are retirement programs that employers provide. Employee contributions are typically withdrawn from earnings before being deposited into a bank account. As an added incentive, employers may also contribute a certain amount to an employee's retirement based on the amount of the employee's annual contribution ("company match"). The decision to withdrawal, transfer, or rollover retirement plan savings is an important one and the choices available should be considered.

There are generally four choices for qualified plan distributions:

1. Rollover qualified assets into an Individual Retirement Account ("IRA")
2. Keep qualified assets in former employer's plan (if allowed)
3. Transfer qualified assets to current employer's plan (if allowed)
4. Lump-sum distribution

Any option selected has its own set of advantages and disadvantages. The most suitable option will depend on the circumstances and goals of the employee. Certain factors to consider are the choice of investments, fees, fund expenses, as well as the services that are offered. Please review the information in this brochure and consult with a tax professional and retirement plan administrator before making any rollover decisions.

OPTION 1: ROLLOVER QUALIFIED ASSETS INTO AN IRA

A rollover occurs when transferring the holdings of one retirement plan to another without suffering tax consequences.

Advantages:

- Assets retain their tax-advantaged growth potential. By rolling savings into an IRA, early distribution penalties and income taxes associated with lump-sum distributions may be avoided.
- Access to more investment choices than are typically available in employer plans, providing greater potential diversification.
- Increased access to guidance and investment advice.
- IRAs have certain Internal Revenue Service ("IRS") tax penalty exceptions, such as those for first-time homebuyers even if assets are withdrawn prior to the age 59½. There are exceptions to the IRS tax penalty including the use of assets to cover certain higher education expenses, disability, certain medical expenses, qualified first-time-home purchase among others. Consult a tax professional for additional information.
- IRAs can be conveniently consolidated and maintained with one custodian.
- IRA earning and contributions are protected from creditors in federal bankruptcy proceedings to a maximum.
- There are no maximum limits for federal bankruptcy protection for rollovers from qualified plans, Simplified Employee Pension ("SEP"), and Savings Incentive Match Plan for Employees ("SIMPLE IRAs").

Items to Consider:

- The fees and expenses associated with IRAs are generally higher than those in the former employer's qualified plan. These fees generally depend on investment choices and advisory services.
- "Loans" from an IRA are not allowed.
- In addition to the income tax, distributions prior to age 59½ may be subject to an IRS tax penalty of 10%.
- Required Minimum Distributions ("RMDs") begin April 1st following the year the employee reaches 73 years of age (72 if born before December 31st, 1950) and by December 31st, annually thereafter. Roth IRA owners have no RMDs.
- IRAs are held to state creditor laws regarding malpractice, divorce, or other types of lawsuits. Maximum caps in federal bankruptcy proceedings may be lower than Employee Retirement Income Security Act ("ERISA").
- If an employee owns appreciated employer securities, favorable tax treatment of net unrealized appreciation ("NUA") is lost if rolled into an IRA.

OPTION 2: KEEP QUALIFIED ASSETS IN FORMER EMPLOYER'S PLAN

If a former employer allows a former employee's funds to be kept in its retirement account after departure, this may be a potential option.

Advantages:

- No immediate action is required.
- Tax-advantaged growth potential is retained.
- Will typically be able to keep current investments.
- Fees and expenses may be lower in an employer-sponsored plan.
- Not subject to the 10% IRS tax penalty if departing in the same year employee turns age 55 or older
- Employer-sponsored retirement plans generally have creditor and bankruptcy protection under ERISA.
- The company stock in the plan may have increased in value. The difference between the price paid ("cost basis") and the stock's increased price is net unrealized appreciation.

Items to Consider:
- Former employer may not allow former employees to keep assets in the plan.
- Allowed to repay an outstanding loan within a short period of time.
- Any additional contributions typically won't be allowed.
- Must maintain a relationship with former employer for long term.
- Any distributions taken prior to age 59½ may be subject to a 10% IRS tax penalty on top of any ordinary income tax.
- RMDs from a former employer's plan begin April 1 following the year the employee reaches age 73 (70½ if born before July 1, 1949) and continue annually thereafter.
- RMDs must be taken from each employer-sponsored plan, including plan Roth accounts; aggregation is not allowed.
- Managing several retirement accounts can be confusing in the long term.
- Must adhere to the previous plan's rules for loan availability, investment options and distributions.

OPTION 3: TRANSFER QUALIFIED ASSETS TO CURRENT EMPLOYER'S PLAN

If starting employment with a new company, new employees may be able to transfer retirement savings to the new employer's plan. This is a potential option for employees that would like to keep all of retirement savings in one account. This alternative shares many of the same advantages and considerations of leaving money with a former employer.

Advantages:
- Tax-advantaged growth potential is retained.
- Fees and expenses may be lower in an employer-sponsored plan.
- Not subject to the 10% IRS tax penalty if departing in the same year employee turns age 55 or older
- RMDs may be deferred beyond age 73 (70½ if born before July 1, 1949) if the plan allows, employee is still employed and not a 5% or more owner of the company.
- Employer-sponsored retirement plans generally have creditor and bankruptcy protection under ERISA.
- All of retirement assets can be placed in one account.
- Loans may be allowed.

Items to Consider:
- There may be a waiting period before starting a new employer's plan.
- Can only choose from the investment options that are chosen by the plan sponsor.
- Can only rollover plan assets that are permitted by the new employer.
- How and when savings are accessed will be determined by the new employer.
- The favorable tax treatment of appreciated company stock is lost if the assets are rolled over into another plan.

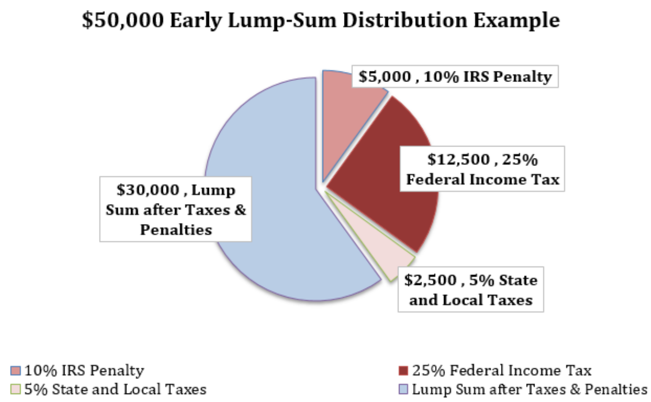
OPTION 4: LUMP SUM DISTRIBUTION

A Lump-Sum distribution is a one-time payment for the entire amount in a retirement savings account. There may be many financial consequences associated with cashing out retirement plan savings. The impact will vary depending tax circumstances and age of the employee. Those in need of access to money may want to consider only withdrawing the money that is needed until another cash source can be identified.

Advantages:
- Able to keep money in a bank account and have the ability to withdraw it immediately.
- Penalty-free distributions can be taken only if the employee: Departed the company in the same year they also turned age 55 or older; or Turns age 50 or older in the year they stop working as a public safety employee and is taking distributions from a government defined benefit pension.
- Lump-sum distribution of appreciated company stock might qualify for favorable tax treatment of net unrealized appreciation.

Items to Consider:

- Assets will lose their tax-advantaged growth potential.
- The money may be subject to federal, state, and local taxes, unless it is rolled into IRA or another employer plan within 60 days.
- Employee may owe a 10% IRS tax penalty on the distribution if leaving the company before the year in which the employee turns 55 years of age.
- Previous employer is required to withhold 20% for the IRS.
- May have the ability to perform a partial withdrawal. This will help lower tax liability.



This information is for illustrative purposes only. This example assumes a 25% federal tax bracket and 5% state and local tax rate. Taxes may vary. Depending on tax bracket, the taxes owed at the end of the year may be higher or lower. The 10% IRS tax penalty may be assessed if participant is under age 59½ and no penalty exception applies. State penalty may also apply. Please check with the state in which the employee resides and a tax professional for specific details.

Benefit	Rollover to IRA	Leave in Previous Employer's Plan	Move to Current Employer's Plan	Lump-Sum Distribution
Generally lower expenses and fees		X	X	
More investment choices with broader diversification options	X			
Delay RMDs if still employed			X	
Avoid IRS early distribution tax penalties and respective income tax payments	X	X	X	
Make additional contributions	X		X	
Tax advantaged status	X	X	X	
Protection from creditors through ERISA		X	X	
Consolidate all retirement savings into one account	X			
10% IRS tax penalty exceptions for a first-time homebuyer[1] or for qualified higher education expenses.	X			
Flexible distribution options	X			
Immediate access to cash				X

[1] There are exceptions to the IRS tax penalty including the use of assets to cover certain higher education expenses, disability, certain medical expenses, qualified first-time-home purchase among others. Please consult with a tax professional for additional information.

SUMMARY OF OPTIONS

When considering rolling over qualified assets from an employer plan to an IRA, please consider the following factors: fees and expenses; services offered; investment options; when penalty-free distributions are available; treatment of employer stock; when required minimum distributions begin; protection of assets from creditors and bankruptcy.

Investing and maintaining assets in an IRA will generally involve higher costs than those associated with employer-sponsored plans. Consult with the plan administrator and tax professional before making any decisions regarding any retirement assets.

Each person's situation is unique and each person has a different vision of retirement that requires a unique financial strategy. Our firm can guide and provide advice regarding retirement assets and planning by providing information and insight needed to make informed decisions.

INVESTOR INFORMATION

____
Investment Advisor Representative's Name ("IAR")

______________________________ ______________________
Investor's Name ☐ Prospective Client or ☐ Current Client Meeting Date (DD/MM/YYYY)

Instructions:
Please indicate below whether decision to rollover plan assets or transfer an IRA to an IRA managed by adviser was made by investor or recommended by adviser.

☐ Investor decided to rollover plan assets or transfer an IRA to an IRA managed by adviser.

☐ Adviser recommended that investor rollover plan assets or transfer an IRA to an IRA managed by adviser

Investor should provide IAR with as much information as possible about their current plan or IRA's fees and expenses, so IAR can provide a more accurate comparison of the plan with an IRA managed by the adviser. Information about the current plan's fees and expenses may be obtained from recent statements, Form 408b(2), Form 404a5, Form 5500, and/or other disclosures. Investor may also be able to request such information from their employer's HR representative. If investor is unable to provide details, IAR may provide an estimate.

Fees & Expenses:
After collecting available information about the investor's plan or IRA, IAR should provide a comparison of the estimated applicable fees and expenses below (as applicable):

Factors to Consider	Previous Employer's Plan	Current Employer's Plan	IRA Managed by Previous Adviser	IRA Managed by Adviser
Custodial Fees				
Invest Fees & Expenses				
Advisory Fees				
Does employer pay for some or all of the plan's admin expenses?				

Other Comments:
When considering whether to rollover to an IRA managed by adviser, IARs should also consider other factors such as the adviser's service options and investment product options and the client's needs for ongoing communication, customized investment strategies, financial planning, tax planning, estate planning, and retirement planning (if applicable). IAR should describe below any factors or reasons besides fees and expenses considered for IAR's recommendation:

RECOMMENDATION

After careful consideration of the advantages and disadvantages of each option, your financial professional recommends that you:

☐ Keep your retirement assets in your employer-sponsored retirement plan.
☐ Rollover your retirement assets directly into an Individual Retirement Account (IRA).
☐ Rollover your retirement assets directly to your new employer-sponsored retirement plan.
☐ Take a cash distribution from your previous employer-sponsored retirement plan.