

ProfitScore Capital Management, Inc.

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This brochure provides information about the qualifications and business practices of ProfitScore Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (208) 472-8849 or John.McClure@profitscore.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ProfitScore Capital Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to ProfitScore Capital Management, Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

ProfitScore is a Commodity Trading Advisor (CTA). ProfitScore Capital Management, Inc.’s business now includes trading managed futures accounts for institutional clients (QEPs) in addition to sub-advisory work for Registered Investment Advisors (RIAs) and index consulting for mutual funds and RIA’s. ProfitScore’s institutional, sub-advisory and index consulting business accounts for more than 95% of the assets managed and under advisement by ProfitScore.

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Item 4 **Advisory Business**

- A. ProfitScore Capital Management, Inc. (“ProfitScore”) is a corporation formed on April 30, 1998 in the State of Idaho. ProfitScore became registered as an Investment Adviser Firm in the State of Idaho in 2002 and became registered with the Securities and Exchange Commission in July 2009. ProfitScore is owned by its Principal, John M. McClure.

ProfitScore became a Commodity Trading Advisor (CTA) in 2015, and became a member of the National Futures Association June, 10, 2015.

- B. ProfitScore offers investment advisory services to business entities, trusts, estates, charitable organizations, individuals, etc. ProfitScore does not provide financial planning or related consulting services.

Investment advisory services include trading managed futures accounts for institutional clients including Qualified Eligible Professionals (QEPs), sub-advisory work for Registered Investment Advisors (RIAs), index consulting for mutual funds and RIA’s and managing a few individual accounts. ProfitScore’s institutional, sub-advisory and index consulting activities account for more than 95% of all assets managed and under advisement by ProfitScore.

INVESTMENT ADVISORY SERVICES

ProfitScore provides discretionary investment advisory services on a *fee-only* basis.

Sub-Advisory Arrangements. ProfitScore is engaged as a sub-advisor by other unaffiliated investment advisors and institutions. When engaged in a sub-advisory capacity to another advisor, ProfitScore receives a portion of the investment advisory fee paid to the investment advisor for its sub-advisory services.

As a sub-advisor, ProfitScore has discretionary authority for the day-to-day management of assets. The unaffiliated investment advisors shall maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for ProfitScore’s designated investment strategies and/or programs. If the custodian/ broker-dealer is determined by the unaffiliated investment adviser, ProfitScore will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, underlying clients may pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case through alternative clearing arrangements. Higher costs adversely impact account performance.

Please Note: Inverse and Enhanced Market Strategies. ProfitScore may use futures (in managed futures accounts), long and short mutual funds, exchange traded funds (ETFs), and/or exchange traded notes (ETNs) that are designed to perform in either inversely or positively correlated relationship to market indices at a ratio of one (1:1) or more times the index returns. The purpose of these strategies is to hedge or provide returns in declining markets and to enhance returns in upward trending markets. There can be no assurance that any such strategy will prove profitable or be successful. In light of these enhanced risks/rewards, a client may direct ProfitScore, in writing, not to employ any or all such strategies for his/her/their/its accounts.

PROFITSORE INDEX LICENSING

ProfitScore owns all rights to ProfitScore Indexes (“Indexes”). ProfitScore licenses Indexes to third parties, including, but not limited to investment companies, RIAs and/or mutual funds. In exchange for licensing its Indexes, ProfitScore receives licensing fees.

Also, from time-to-time, ProfitScore recommends that certain advisory clients invest in the investment companies and/or mutual funds to which ProfitScore also licenses its Indexes. To avoid any conflict of interest or the appearance of a conflict of interest, ProfitScore will reduce any such client's annual advisory fee by the same annual percentage rate as the licensing fee earned by ProfitScore allocable to the client's investment. ProfitScore's clients are under absolutely no obligation to consider or make an investment in such an investment company and/or mutual fund.

ProfitScore's Chief Compliance Officer, John McClure, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding potential conflicts of interest such arrangements may create.

MISCELLANEOUS

Limited Consulting/Implementation Services. Although ProfitScore does not generally provide financial planning, estate planning or accounting services, to the extent specifically requested by the client, ProfitScore may provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. ProfitScore shall not receive any separate or additional fee for any such consultation services. ProfitScore, does not serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance brokerage services. Accordingly, ProfitScore does not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, ProfitScore may recommend the services of other professionals for certain non-investment implementation purposes (i.e. financial planners, attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from ProfitScore. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Use of Mutual Funds. While ProfitScore may recommend allocating investment assets to mutual funds that are not available directly to the public, ProfitScore may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging ProfitScore as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging ProfitScore as an investment adviser, the client or prospective client would not receive the benefit of ProfitScore's initial and ongoing investment advisory services.

Client Obligations. In performing its services, ProfitScore shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify ProfitScore if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising ProfitScore's previous recommendations and/or services.

Disclosure Statement. A copy of ProfitScore's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- C. ProfitScore provides investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, ProfitScore shall allocate and/or recommend that the client allocate investment assets consistent with the

designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on ProfitScore's services.

- D. ProfitScore does not participate in a wrap fee program.
- E. As of December 31, 2015, ProfitScore had approximately \$202,000,000 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY AND INDEX LICENSING SERVICES

ProfitScore provides discretionary investment advisory services on a *fee-only* basis.

Institutional advisory fees are negotiated based on the services provided.

Index licensing Fees are negotiated based on the services provided.

Individual Client advisory fees:

Fees are based upon a percentage (%) of the market value and type of assets placed under ProfitScore's management (between 1.95% and 2.95%) as follows:

<u>Net Asset Value of Client's Account(s)</u>	<u>% of Assets</u>
First \$500,000	2.95%
Second \$500,000	2.45%
Over \$1,000,000	1.95%

ProfitScore is also compensated through an account opening fee of \$250 and an administrative fee for statement preparation.

ProfitScore may recommend that certain advisory clients invest in securities, including mutual funds, which ProfitScore sub-advises or to which ProfitScore licenses its Indexes. To avoid any conflict of interest or the appearance of a conflict of interest, ProfitScore will reduce any such client's annual advisory fee by the same annual percentage rate as the management or licensing fees earned by ProfitScore allocable to the client's investment. ProfitScore's clients are under absolutely no obligation to consider or make an investment in such investments.

ProfitScore's Chief Compliance Officer, John McClure, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding potential conflicts of interest such arrangements may create.

- B. Individual Client advisory fee deductions from custodial account:
Clients may elect to have ProfitScore's advisory fees deducted from their custodial account. Both ProfitScore's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of ProfitScore's investment advisory fee and to directly remit that management fee to ProfitScore in compliance with regulatory procedures. In the limited event that ProfitScore bills the client directly, payment is due upon receipt of ProfitScore's invoice. ProfitScore shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

C. Custodians

Institutional advisory services will be provided at an appropriate custodian by mutual agreement of ProfitScore and the client. Custodial fees are disclosed in the custodial agreements with the institutional clients.

Individual Client Account Custodian:

ProfitScore generally recommends that Trust Company of America (“TCA”) serve as the broker-dealer/custodian. Broker-dealers such as TCA charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to ProfitScore’s investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Please note: as of the date of this Brochure TCA's Annual Custody Fees paid quarterly were as follows:

Accounts valued between \$0-\$249,999	29 basis points
Accounts valued between \$250,000 - \$499,999	24 basis points
Accounts valued between \$500,000 - \$999,999	18 basis points
Accounts valued between \$1,000,000 and above	11 basis points

D. Institutional advisory client fees will be paid in the manner indicated by agreements.

Index licensing client fees will be paid in the manner indicated by agreements.

Individual Client Advisory Fee Arrangements:

Fees are paid in advance, based upon the Net Asset Value (NAV) of the assets on the last business day of the previous quarter. ProfitScore generally requires a \$1,000,000 relationship minimum for investment management services. ProfitScore, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between ProfitScore and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination of client advisory services, ProfitScore shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

E. Neither ProfitScore, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

ProfitScore charges performance-based fees for some institutional advisory services. Neither ProfitScore nor any supervised person of ProfitScore receives performance based fees for individual client advisory services.

Item 7 Types of Clients

ProfitScore's clients generally include business entities, trusts, estates, charitable organizations, which may be QEPs, and individuals. ProfitScore generally requires a \$1,000,000 relationship minimum for investment management services. ProfitScore, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. ProfitScore primarily uses quantitative analysis of economic and market data to forecast the direction of asset prices.

ProfitScore may apply the following investment strategies when implementing investment advisory services:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Intraday Trading* (Securities sold within the same day)

* ProfitScore's analytical methods do not generally indicate intraday trading, but in unusual circumstances, ProfitScore may enter and close ETF, ETN or futures positions in the same day.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by ProfitScore) will be profitable or equal any specific performance level(s).

- B. ProfitScore's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis ProfitScore must have access to current/new information. ProfitScore has no control over the dissemination rate of market information; therefore, unbeknownst to ProfitScore, certain analyses may be compiled with outdated market information, severely limiting the value of ProfitScore's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

And every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

Note: Certain investment opportunities that become available to ProfitScore's clients may be limited. For example, various mutual funds may, from time to time, limit the number of shares available for purchase by mutual fund asset allocators, such as ProfitScore. In order to meet its fiduciary duties to all of its clients, ProfitScore will endeavor to allocate investment opportunities among all clients on a fair and equitable basis. However, except as otherwise provided by federal or state securities laws, ProfitScore shall not be liable for an adverse decision by a mutual fund or insurance company to unilaterally restrict and/or prohibit asset allocation activities such as those of ProfitScore.

- C. ProfitScore generally allocates the investment management assets of its clients, on a discretionary basis, among various mutual funds, exchange traded funds, exchange traded notes and/or investment subdivisions of variable investment products or futures in managed futures accounts, in accordance with ProfitScore's proprietary asset management programs, whereby ProfitScore shall exchange and/or transfer client investments among different assets in accordance with the investment objective(s) of the client.

ProfitScore's proprietary programs have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, with a non-exclusive safe harbor from the definition of an investment company.

In accordance with Rule 3a-4, the following disclosure is specifically applicable to ProfitScore's management of individual client assets:

1. **Initial Interview** – at the opening of the account, ProfitScore, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. **Individual Treatment** – the client's account is managed on the basis of the client's financial situation and investment objectives;
3. **Quarterly Notice** – at least quarterly, ProfitScore shall notify the client to advise ProfitScore whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account;
4. **Annual Contact** – at least annually, ProfitScore shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account,
5. **Consultation Available** – ProfitScore shall be reasonably available to consult with the client relative to the status of the client's account;
6. **Quarterly Statement** – the client shall be provided with a quarterly report for the account for the preceding period;
7. **Ability to Impose Restrictions** – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct ProfitScore not to purchase certain funds;
8. **No Pooling** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
9. **Separate Account** - a separate account is maintained for the client with the Custodian; and
10. **Ownership** – each client retains indicia of ownership of the account (e.g., right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

ProfitScore's annual investment management fee may be higher or lower than that charged by other investment advisers offering similar services/programs. ProfitScore's

investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

ProfitScore's institutional advisory services may include trading institutional accounts that contain pooled assets of the institutions' clients.

Item 9 Disciplinary Information

ProfitScore has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither ProfitScore, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. In addition to being registered as an investment adviser with the SEC, ProfitScore is also registered as a commodity trading adviser ("CTA") with the Commodity Futures Trading Commission ("CFTC"), and certain related persons are registered as CTA principals or associated persons. When providing advice relating to commodity interests (i.e. managed futures accounts), depending on the services being rendered, ProfitScore may be operating either under its CTA registration or under an exemption or exclusion from registration as a CTA.
- C. See Item 4.C above for a description of ProfitScore Index Licensing activities involving investment companies and/or mutual funds. Although ProfitScore is not affiliated with any investment company or mutual fund, ProfitScore may have an advisory relationship that could present a conflict of interest. ProfitScore's clients are under absolutely no obligation to consider or make an investment in such an investment company and/or mutual fund.
- D. ProfitScore does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. ProfitScore maintains an investment policy relative to personal securities transactions. This investment policy is part of ProfitScore's overall Code of Ethics, which serves to establish a standard of business conduct for all of ProfitScore's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, ProfitScore also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by ProfitScore or any person associated with ProfitScore.

- B. See Item 4.C above for a description of ProfitScore Index Licensing activities.
- C. ProfitScore and/or representatives of ProfitScore may buy or sell securities that are also recommended to clients. This practice may create a situation where ProfitScore and/or representatives of ProfitScore are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of

interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if ProfitScore did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of ProfitScore’s clients) and other potentially abusive practices.

ProfitScore has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of ProfitScore’s “Access Persons”. ProfitScore’s securities transaction policy requires that an Access Person of ProfitScore must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date ProfitScore selects; provided, however that at any time that ProfitScore has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. ProfitScore and/or representatives of ProfitScore *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where ProfitScore and/or representatives of ProfitScore are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, ProfitScore has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of ProfitScore’s Access Persons.

Item 12 Brokerage Practices

- A. Institutional Subadvisory Accounts - Brokerage arrangements are determined by mutual agreement of ProfitScore and the client.

Individual Client Accounts - ProfitScore generally recommends that investment management accounts be maintained at *TCA*. Prior to engaging ProfitScore to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with ProfitScore setting forth the terms and conditions under which ProfitScore shall manage the client's assets and a separate custodial/clearing agreement with each designated broker-dealer/ custodian.

Factors that ProfitScore considers in recommending *TCA* (or any other broker-dealer/custodian to clients) include historical relationship with ProfitScore, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by ProfitScore's clients shall comply with ProfitScore's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where ProfitScore determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although ProfitScore will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, ProfitScore's investment management fee. ProfitScore’s best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, ProfitScore may receive from TCA (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist ProfitScore to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by ProfitScore may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by ProfitScore in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist ProfitScore in managing and administering client accounts. Others do not directly provide such assistance, but rather assist ProfitScore to manage and further develop its business enterprise.

ProfitScore's clients do not pay more for investment transactions effected and/or assets maintained at TCA as a result of this arrangement. There is no corresponding commitment made by ProfitScore to TCA or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

ProfitScore's Chief Compliance Officer, John M. McClure, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. ProfitScore does not receive individual client referrals from broker-dealers.
3. ProfitScore does not generally accept directed brokerage arrangements (when an individual client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and ProfitScore will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by ProfitScore. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs ProfitScore to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through ProfitScore.

ProfitScore's Chief Compliance Officer, John M. McClure, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. Transactions for individual client accounts are aggregated using TCA's model trade to goal technology. With this technology, trades for all clients invested in the same model are placed at the same time and receive the same average execution price. ProfitScore

does not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Individual Client Accounts

- A. For those clients to whom ProfitScore provides investment supervisory services, account reviews are conducted on an ongoing basis by ProfitScore's Principal, John M. McClure and/or ProfitScore's representatives. All investment supervisory clients are advised that it remains their responsibility to advise ProfitScore of any changes in their investment objectives and/or financial situation. ProfitScore encourages all clients to contact ProfitScore annually, in person or by phone, to review investment objectives and account performance.
- B. ProfitScore may conduct account reviews on a non-periodic basis when triggering events occur; such as changes in client investment objectives and/or financial situations, market corrections and client requests.
- C. Clients receive regular account statements and confirmations from their broker-dealer(s) and/or custodian. In addition, ProfitScore may provide additional reports at the request of the client.

Item 14 Individual Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, ProfitScore may receive an indirect economic benefit from *TCA*. ProfitScore, without cost (and/or at a discount), may receive support services and/or products from *TCA*.

ProfitScore's clients do not pay more for investment transactions effected and/or assets maintained at *TCA* as a result of this arrangement. There is no corresponding commitment made by ProfitScore to *TCA* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

ProfitScore's Chief Compliance Officer, John M. McClure, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to ProfitScore by either an unaffiliated or an affiliated solicitor, ProfitScore may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from ProfitScore's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to ProfitScore by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of ProfitScore's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between ProfitScore and the solicitor, including the compensation to be received by the solicitor from ProfitScore.

Item 15 Custody

ProfitScore does not take custody of Client assets.

However, with client consent, ProfitScore shall have the ability to have its advisory fee for debited by the custodian on a quarterly basis. Clients receive regular account statements and confirmations from their broker-dealer(s) and/or custodian. In addition, ProfitScore may provide additional reports at the request of the client.

Please Note: To the extent that ProfitScore provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by ProfitScore with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of ProfitScore's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage ProfitScore to provide investment advisory services on a discretionary basis. Prior to ProfitScore assuming discretionary authority over a client's account, the client shall be required to execute *Investment Advisory Agreement*, naming ProfitScore as the client's attorney and agent in fact, granting ProfitScore full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage ProfitScore on a discretionary basis may, at any time, impose restrictions, in writing, on ProfitScore's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe ProfitScore's use of margin, etc.).

Item 17 Voting Client Securities

- A. ProfitScore does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact ProfitScore to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. ProfitScore does not solicit fees of more than \$1,200, per individual client, six months or more in advance.
- B. ProfitScore is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. ProfitScore has not been the subject of a bankruptcy petition.

ANY QUESTIONS: ProfitScore's Chief Compliance Officer, John M. McClure, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.