KCD FINANCIAL

KNOWLEDGEABLE. CREDIBLE. DEPENDABLE.

Define your *future*.

KCDfinancial.com | Phone: (920) 347-3400 | Fax: (920) 347-3402
3061 Allied Street, Suite B, Green Bay, WI 54304 | Member FINRA & SIPC

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Welcome!

Thank you for your interest in KCD Financial, Inc., a fully licensed securities broker-dealer, registered investment advisor, and insurance agency. Our firm's members bring a combination of over 75 years of experience to provide you with the tools you need to grow and operate your financial practice successfully.

Because KCD is owned and operated by industry professionals, with no corporate mandates driving our decisions, we are equipped to respond to each representative's unique requirements and provide specific solutions promptly.

Our operations have been developed to best suit our independent financial professionals. We offer efficient and streamlined procedures to process and service your needs. The enclosed information details the benefits you will find at KCD.

We appreciate the time and consideration you have shown in our firm. If the information enclosed appeals to you and you'd like to move forward with KCD, please contact us to schedule an interview, obtain registration materials, or ask any additional questions about affiliation.

Our staff is ready to assist you in the transition process by providing detailed, individual attention, enabling you to make the change with maximum ease and minimum hassles.
We can be reached through the avenues listed below:

Telephone: 262-436-8712

Fax: 920-347-3402

E-mail: AmberK@kcdfinancial.com

Joel R. Blumenschein
President / CEO

David S. Wilson
Chief Compliance Officer

Amber L. Klinger
Recruiter

Corporate Mission

KCD is committed to:

1. Providing quality service and support to independent financial professionals with the flexibility to meet everyone’s unique needs.
2. Preserving your independence to operate your practice and own your book of business.
3. Maintaining sound compliance, due diligence, and oversight.
4. Avoiding unnecessary policies and burdens.
5. Optimizing your profitability by avoiding fees for services you do not need or want.

Operations

Orientation

When you join KCD, you receive a personal consultation to determine your needs and a brief orientation meeting to familiarize yourself with our customized services and procedures. You will also receive a website tutorial on how our workflows operate, the required forms, and where these are found. With minimal training, you will be ready to process business and concentrate your efforts on growing your practice in the direction you desire.

At KCD, reps can process business directly with the product vendors after the business is reviewed and approved. This benefits the rep and the client by minimizing mail time and allowing funds to be invested and processed as soon as possible.

Website

You will receive a password for the private **Rep Portal** on our website, **kcdfinancial.com**, where we provide the latest KCD forms, compliance updates, product news, calculators, and much more. Additionally, your clients can access our KCD CRS and other firm disclosures, forms, and documents on our **Disclosures page**.

Compliance Review

KCD provides comprehensive yet streamlined compliance oversight. Our Annual Compliance Review consists of a two-day seminar. The Supervisory Policies and Procedures Manual is available through our website, with updates posted regularly. Compliance review of advertising and sales literature is completed within 24 hours of submission.

Transition Services

Our staff assists you in every step of the transition process, providing a smooth, timely transition with the least interruption to your business.

Transition Timeline

Registration Paperwork

Complete and return the registration documents as early as possible to ensure everything is prepared properly for a clean FINRA registration.

Document Preparation

Note: Preliminary document preparation can begin before your registration with KCD, but client contact can only begin after FINRA approval.

1. **Broker-Dealer Transfers:** (For accounts held at each individual company)
Clients must sign a KCD New Account Form and a Notice to Change Broker-Dealer Form. Once submitted to KCD, we process the new KCD clients and proceed with the transfers.

2. **Clearing Firm Accounts:** (For accounts held at a clearing firm)
Clients must complete a KCD New Account Form and the application clearing firm forms. We will help compile the necessary forms for each type of account, which you will then give to clients upon registration.

3. **Compliance Approval:**
Submit client letters, stationery, and business cards for compliance approval.

4. **Client Letters:**
You can begin preparing client letters, including New Account Forms, and KCD Customer Information brochures to accompany the above-mentioned account transfer forms.

5. **Appointments:**
Together, we will prepare the necessary appointment paperwork for variable companies, which will be processed immediately upon registration.

Transition Services (Continued)

Upon Registration

1. Appointments sent to variable companies if needed.
2. Begin to contact clients, mail letters, paperwork, etc.
3. KCD processes Notice to Change Broker-Dealer Form.
4. KCD works with you to open Clearing Firm accounts for each client as their signed paperwork is returned.
5. KCD provides you with the private page password for our online Rep Portal to complete orientation.

Clearing Services

Clearing Firms

KCD's clearing firm for Registered Representatives is Hilltop Securities in Dallas, TX, which utilizes the CSS software system and provides broker stations to each registered rep at no charge. With this technology, you can fully manage your securities trading business, including online order placement for mutual funds, equities, or options, and review transactions in client accounts (redemptions, dividend payments, deposits, etc.). Clients also have access to view their accounts.

The Hilltop Learning Exchange provides training, research, directories, industry news, and more, including:

- "Module Training" for various categories.
- Sample screens and instructions describing the numerous reports and details available.
- Investment Advisors will have a choice between using Hilltop Securities and Trade PMR.

Trading Specialist

KCD provides a trading specialist in our home office to assist you with opening new accounts, orientation to the clearing firm systems, and providing other liaison services with the clearing firm. Additionally, we offer in-house equities services for Series 6 representatives who cannot provide such assistance for their clients.

KCD Product List

Mutual Fund Companies

- AIG
- Alger Funds
- Alliance Bernstein
- American Century
- American Funds
- AMG Funds/Managers
- Equitable
- Black Rock Funds
- Calamos Funds
- Calvert Investments
- Columbia Funds
- Davis Funds
- Delaware Investment
- Domini Funds
- Eaton Vance Funds
- Federated Funds
- Fidelity Advisor
- First Investors Group
- Franklin Templeton
- Hartford Funds
- Invesco/AIM Funds
- JNL Investors
- John Hancock
- Lord Abbett
- Mainstay Funds
- MFS
- Nationwide
- Nuveen Funds
- Leader Funds
- Pacific Life Funds
- Pimco/Allianz Global
- Pioneer Investments
- Principal
- Prudential
- Putnam
- Sentinel Funds
- TransAmerica IDEX
- Vanguard
- Victory Funds
- Virtus Investments
- Voya
- Wells Fargo Funds

Variable Products

- Allianz Life
- Allstate
- American General
- American National
- American United Life
- Ameritas Life
- AVIVA
- AXA/Equitable
- Canada Life (Serv)
- Commonwealth
- Delaware Life
  Forethought
- Life Ins/Ann
- Genworth Financial
- Great American Adv.
- Great-West Life & Ann
- Guardian
- Hartford
- Integrity Life
- Jackson National
- Jackson National of NY
- Jefferson National
- John Hancock
- Lincoln National
- Mass Mutual
- MetLife
- Midland National
- Nationwide
- Ohio National
- Pacific Life
- Penn Mutual
- Principal Group
- Prudential
- Security Benefit
- Symetra Financial
- TransAmerica
- Travelers
- United of Omaha
- Virtus Investments
- Voya

529 College Savings Plans

- Bright Start
- Bright Directions College Savings
- College Advantage/ Black Rock
- College Access/ Allian Global
- College America/American Funds
- College Bound/ Allian Beren
- Columbia
- Franklin Templeton
- John Hancock 529
- IA Adv 529/Upromise
- MFS
- MI 529 Advisor/Allianz
- MOST 529 Adv./DWS Inv.
- NEST Advisor Plan
- Pacific Life
- Putnam 529 for America
- Scholars Choice/Legg Mason
- Scholars Edge/Oppenheimer
- Scholar Share Advisor/Fidelity
- Smart 529/Hartford
- Tomorrow's Scholar
- Voya

KCD Product List (Continued)

Alternative Investments

- AEI
- Apollo Asset Mgmt.
- APX Energy
- ARCTRUST
- Ashford Securities
- Bion (Personal Placement)
- Bourne
- Bluerock Real Estate
- CAI
- Caliber Funds
- Cantor Fitzgerald
- CEDARSt
- CION Investment Group
- Cirrus Investment
- Destra Capital
- Deutsche Asset Mgmt.
- Eagle Point
- ERP
- Forum Partners
- Exchange Right
- FS Investment
- Gentry Mills Capital, LLC
- Gladstone Land
- Greenbacker Capital Mgmt.
- Griffin Capital
- Hines
- Highland Capital Mgmt.
- HMC Capital
- InCommercial Property Group
- Inland Real Estate
- Inspired Healthcare
- Lateral
- Legendary Capital
- Legion Capital Corp.
- MacDonald Capital Mgmt.
- MacDonald Realty
- Mackenzie Capital Mgmt.
- MDS Energy Development
- Megatel
- Montego Minerals
- NAI Legacy
- NexPoint
- Oak Bridge
- Pacific Oak Capital
- Peachtree
- Pender Capital
- Preferred Apartments
- Preferred Capital Securities
- Prep Securities
- Red Oak
- SC Distributors
- Sealy & Company
- Select Capital
- Skyway Capital
- SQN
- Steadfast Capital
- SynerFuse
- S2K
- Terra Capital Partners
- Texakoma
- The True Life Companies
- TriLinc Global
- Triton Pacific
- US Energy
- Urban Catalyst
- Waveland
- Walton Street Capital

Third-Party Asset Management Products

- Advisor's Capital
- CLS Investments LLC
- FTJ Fund Choice, LLC
- HTS Investment Group
- Managers Choice
- Q3 Asset Mgmt.
- SEI Investment Corp.
- Sowell Mgmt.
- Freedom Advisors

Fee-Based Services

KCD is a Registered Investment Advisor, and our reps can operate on fee-based and/or commission-based levels. Representatives wishing to offer investment advisory services have several licensing options, which vary by state.

Our clearing firms offer several fee-based platforms. Additionally, we have contracted with key companies that provide a variety of fee-based alternatives to fit numerous investor needs.

KCD Product List (Continued)

Hilltop Securities Investment Management Products

Mutual Fund Wrap Program: This is a co-advisory program with Hilltop Securities that provides thorough administration, semi-annual rebalancing, and a web-based client database.

Outside Manager Program: Co-advisor relationship with over 50 premiere money managers. Hilltop Securities provides research, due diligence, website creation, proposals, and account management.

Custom Designed KCD Platform: Broker advised with Hilltop Securities administration, due diligence research, fee-based clearing, performance reports, automated account billing, and model portfolios.

Insurance Products

KCD's commitment to preserving your independence extends to our insurance policies and equity-indexed annuity products. KCD representatives are not required to process their fixed insurance business through KCD. We have maintained the position of considering Fixed-Indexed Annuities (FIAs) as outside business activities.

KCD is a licensed insurance agency. We have direct contracts with several companies and work with excellent Field Marketing Organizations (FMOs) to provide a broad range of products and benefits for representatives seeking these services.

KCD is continually monitoring the development of policies on FIAs and will work to provide representatives with the most flexibility and convenience while maintaining compliance with industry regulators.

Commission Guidelines

KCD follows the general guidelines below to set commission schedules based on annual GDC.

Annual GDC	Commission	Surcharge
$500,000+	92%	
$400,000 - $499,999	91%	
$250,000 - $399,999	90%	
$100,000 - $249,999	85%	
$50,000 - $99,999	80%	
$25,000 - $49,999	75%	
$20,000 - $24,999	70%	$25/month
$15,000 - $19,999	60%	$50/month
$10,000 - $14,999	50%	$100/month
< $10,000	50%	$200/month

The above schedule is used for general purposes and is subject to change without notice: however, flexibility may be applied on a case-by-case basis for special circumstances.

Initial commission rates are set based on each representative's individual documented production for the previous year. If a higher level is reached during a calendar year, the higher rate will start immediately following the higher level and will not be retroactive. It is the representative's responsibility to request a higher payout when targets are reached.

Production may be reviewed periodically, and commissions reset accordingly.

How Does KCD Compare?

At KCD, we're dedicated to empowering our representatives with the tools they need to succeed. Enjoy competitive payout rates, freedom from proprietary products, and transparency with no hidden fees. We treat our representatives with the same care and integrity they offer their clients. Discover a better broker-dealer experience today! Fill out your current information below and see why KCD is the right choice to redefine your future.

How Do You Measure Up?	KCD	You
Independence with Your Book of Business	☑	☐
No Proprietary Products	☑	☐
Unique Alternative Investment Opportunities	☑	☐
100% Payout from Fixed Insurance Products	☑	☐
Succession Planning Support	☑	☐
No Hidden Upcharges	☑	☐
Expert Compliance Support	☑	☐
No Geographical Limitations	☑	☐
Personalized Care & Training	☑	☐
Hands-on Orientation	☑	☐
Immersive Culture	☑	☐
Commission Payouts (see page 11)	$	$
E&O Insurance (as of 10/23)	$2,170.91	$
Annual Renewal Fees	$1,367.59	$
Global Relay Archival Service Fees	$432	$
Technology Fees (SmartOffice CRM)	$720	$

Renewals and Fees

Each representative will be charged annual licensing renewals according to the individual registrations held and the annual assessment dictated by FINRA. Registered representatives will be invoiced in the fourth quarter of the year for their renewal fees, which are due by the final date as set by FINRA (typically early December) each year.

FINRA requires electronic communication monitoring. To meet this requirement, KCD has contracted with Global Relay for the monitoring and archival services of email and text communication. The fee is $36 per month, paid annually ($432 total) at the time of registration. A prorated rate is offered if joining during the year or renewal.

KCD allows representatives to use the social media site Linkedin.com only if monitored through Global Relay. This form of marketing and networking is available at no additional cost.

In addition, KCD will have a company renewal fee added to the registration fees to cover other annual costs associated with representative registrations, averaging about $1,000 per year per representative for the past four years.

For the past four years, Errors & Omission (E&O) insurance has averaged less than $2,500 paid annually. The per-month fee would be charged at onboarding for the remaining months of the policy.

Lastly, KCD charges a fee of $624 annually for SmartOffice, our Customer Relationship Management (CRM).

Professional Liability

Errors & Omission Insurance

KCD carries a MASTER GROUP POLICY for Errors & Omission Insurance.

This policy is renegotiated annually to provide optimum coverage at the best value. To best care for our representatives, KCD does not mark up these charges. All registered representatives of KCD are required to participate in the group policy.

Our annual policy renewal occurs on October 15 of each year, and annual premiums are collected once a year. The premium for the current year is $2,170.91.

At the time of your initial registration with KCD, the annual premium will be prorated from your start date to the end of the current policy period. Full payment is due upon receipt of your registration contracts. Payments are non-refundable if your registration with KCD is terminated for any reason.

The policy limits are $1,000,000 per claim with a $1,000,000 aggregate. The representative retention limit is $5,000 per claim, while the firm's is $100,000. There is a higher retention cost for alternative products.

If you can show continuous coverage, new claims against old business will be covered under the 'prior acts' provision of KCD's policy. You must be able to show no gaps in coverage to qualify for prior acts coverage.

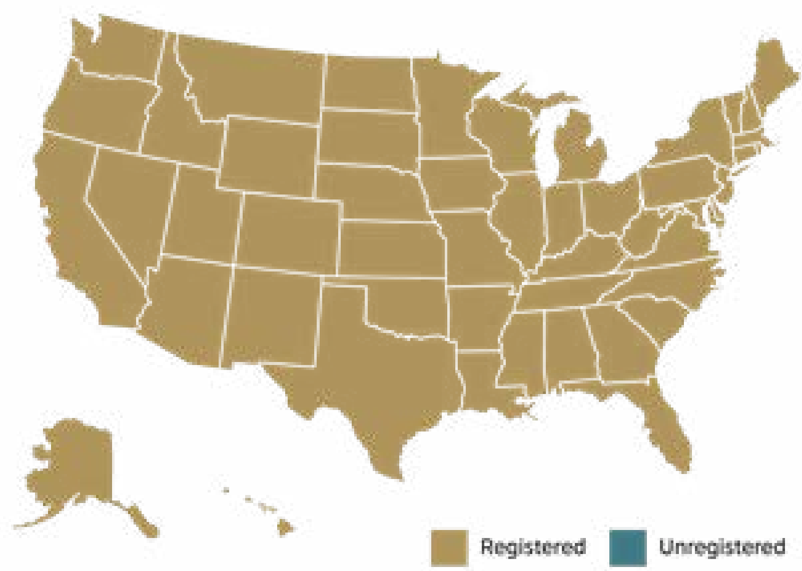
Coverage is provided for Life, Annuities, Accident and Health Insurance, Securities products, and certain private placement products, provided the company is on KCD's approved list. If any company you are currently doing business with is missing from the list, all you need to do is submit the name to KCD. KCD will then investigate the proposed company, and add them to the list if they meet the criteria.

State Registrations

KCD carries the following state registrations. We will add registrations as needed to accommodate the needs of our registered representatives.

It usually takes KCD 2-6 weeks to obtain registration in a new state. However, it takes approximately one week for a registered representative to add a state where we are licensed.

Securities



Alabama
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Arkansas
California
Colorado
Connecticut
Delaware
Florida
Georgia
Idaho
Illinois
Indiana
Iowa
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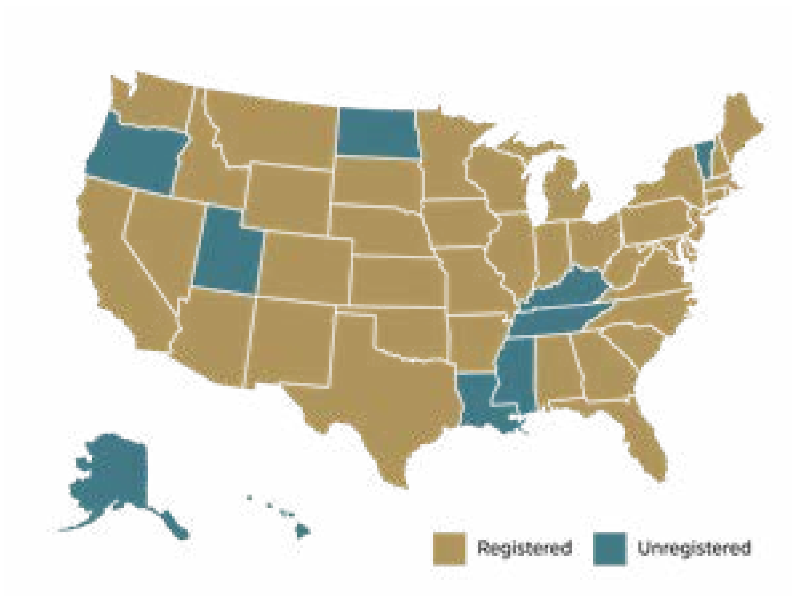
Massachusetts
Michigan
Minnesota
Missouri
Montana
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina
Ohio
Oklahoma
Pennsylvania
Rhode Island
South Carolina
South Dakota
Texas
Virginia
Washington
Washington, D.C.
West Virginia
Wisconsin
Wyoming

State Registrations (Continued)

Insurance



Alabama
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California
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Delaware
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Idaho
Illinois
Indiana
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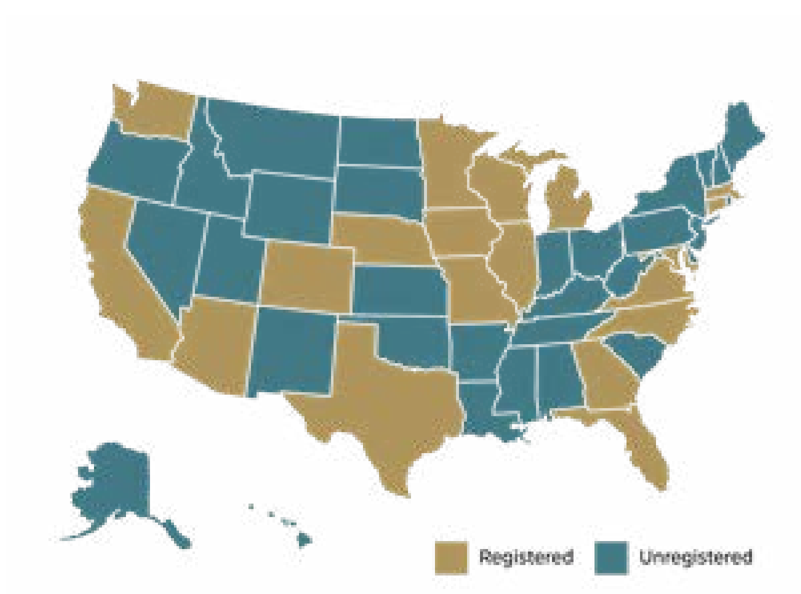
Michigan
Minnesota
Missouri
Montana
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina
Ohio
Oklahoma
Pennsylvania
Rhode Island
South Carolina
South Dakota
Texas
Virginia
Washington
Washington, D.C.
West Virginia
Wisconsin
Wyoming

SEC Registered Investment Advisor



Arizona
California
Colorado
Connecticut
Florida
Georgia
Idaho
Illinois
Iowa
Maryland
Massachusetts
Michigan
Minnesota
Missouri
Nebraska
North Carolina
Ohio
Texas
Virginia
Washington
Washington, D.C.
Wisconsin

Testimonials

I am a fan of KCD:

As a registered representative at KCD for the past 5 years, my experience has been an easy transition from being at one of the major broker-dealers for the past 25 years.

KCD is like a family, you are a person, not a number. When I needed to put urgent business through, I got it approved within the day. They are easy to talk to, and always ready to help me and support my business.

I feel that my success is guaranteed with a team like no other!

Patty | Representative from Illinois

As a Rep at KCD Financial for the past 13 years, I love the broker-dealer. I would never leave them. I give them my highest recommendation. KCD has helped me grow my business with six-figure compensation every year. The payout is genuinely nice, and fees are super reasonable. I trust them so much. Their staff is friendly, helpful, and supportive. We have a lot of fun working together. Please consider them as you look for a new broker-dealer.

Tom | Representative from Wisconsin

I have been a Rep with KCD for 10 years and my experience with KCD has been amazing. After having been soured by over 6 years working with exceptionally large and impersonal Broker-Dealers, I was looking for a personal relationship with the people who help me with products, make sure I am licensed and paid properly, and (most importantly) keep me compliant. You must trust the organization and the people who do all of those and having those relationships assure me that I can.

Dan | Representative from Colorado

Testimonials (Continued)

As a Representative with KCD for the past 10 years, my experience has been nothing short of Great! We are all treated as family, not just a number, with the staff being the BEST I have been associated with compared to the previous three since 1986. I could not be happier for the complete service I receive any time I call, they are always more than happy to help or assist each one of us with any type of situation that may arise. The best part I find is that I know my neck is protected as a Rep/Agent every minute I am doing business. Every staff member actually cares about each Rep, to make sure that KCD is the best Broker/Dealer in the business!! I will not ever leave the firm, even if another offers me more compensation, they just cannot compete with the Human compensation I receive. KCD offers many good products and will be happy to add products when a Rep needs one if it is not in their portfolio.

I am an incredibly happy and well-satisfied Rep with the friends and family nature of KCD.

Mark | Representative from Wisconsin

As a Rep with KCD since 2005, I can honestly say it is a fantastic BD. Everyone at KCD has consistently worked hard to help me build my business and provide me with an incredible opportunity. Working with KCD has been one of the greatest blessings of my life. Please feel free to give me a call if you have any questions.

Chris | Representative from Texas

As a Rep with KCD for the past 2 years, my experience with everybody in the office has been great. They bend over backward for me, and I would recommend KCD to anybody. They respond to any questions/concerns in a timely manner.

Jeff | Representative from Pennsylvania