

Item 1 – Cover Page

PETSO FINANCIAL CONSULTANTS LLC

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March 8, 2023

www.petsofinancial.com

This document (“Brochure”) provides information about the qualifications and business practices of Petso Financial Consultants LLC. If you have any questions about the contents of this Brochure, you may contact us at (208) 853-2000 or jstone@petsofinancial.net to obtain answers and additional information. Petso Financial Consultants LLC is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Petso Financial Consultants LLC is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number Petso Financial Consultants LLC is 282032.

Item 2 – Material Changes

Since our Brochure dated March 3, 2022, we have made no material changes.

As required by the SEC, we will ensure that all current clients receive a Summary of Material Changes, if any, to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. A Summary of Material Changes is also included with our Brochure on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Petso Financial Consultants LLC is 282032. The Firm may further provide other ongoing disclosure information about material changes as necessary.

Currently, our Brochure may be requested by contacting Jennifer Stone, Compliance Officer of Petso Financial Consultants LLC at (208) 853-2000 or jstone@petsofinancial.net. Our Brochure is provided free of charge.

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Item 4 – Advisory Business

- A** Petso Financial Consultants LLC (“Petso Financial” “we” or “us”) is an investment advisory firm formed on February 28, 2001 and located in Boise, Idaho. We are registered with the Securities and Exchange Commission (“SEC”) and we provide investment management, financial planning and income in retirement planning to individual and corporate clients. The sole owner of Petso Financial is David S. Petso.

Our investment advisory services are driven by and coordinated with each client’s individual financial goals. Our approach uses broadly diversified portfolios of mutual funds, individual equities, ETF’s, and individual bonds. Our strategies focus on long term results based on lowest possible level of risk to obtain highest reasonable returns. It is our philosophy that being financially secure takes time and patience. We do not believe in taking the short-term view of your financial picture. We follow strict fiduciary standards, asking ourselves “knowing what we know about the markets and our clients, what would we do in their situation”. Our investment advice is independent and beholden to no investment company or mutual fund. Our clients’ interests are first and foremost in our minds.

- B, C** We help clients coordinate and prioritize their financial lives with all aspects of their life goals. For many clients this involves close coordination of business, retirement and personal assets. Client input and involvement is critical to our customized approach to investment management. We spend many meetings with our clients discussing short, mid and long term objectives prior to establishing investment policy. These discussions will not only involve questions of risk and income but also key factors such as taxes, family circumstances and inheritance objectives. Many clients have sensitive estate planning needs which are to be addressed through their investment plans. We require ongoing conversations with clients following the implementation of investment strategies. We meet with our clients to review progress, understand changes in circumstance and to address needed changes due to market movement.

Petso Financial has discretionary authority over client funds. Discretionary authority means that we have the authority to determine, without obtaining specific client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the client on a case by case basis. Discretionary authority allows us to act on behalf of the client in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without the client’s prior approval.

Advice and services are tailored to the stated objectives of the client(s). We create an investment policy statement for each client which summarizes their investment objectives, risk tolerance, time horizon, and projected future needs. This policy guides us in objectively and suitably managing the client’s investment accounts. It also provides a means by which to evaluate results. The statement is reviewed and updated at least annually as a part of our ongoing review process. We recognize that the IPS sets the tone for our investment work and that many clients may have objectives relating to tax and inheritance which are dealt with and

recognized/discussed in other planning documents prepared by us or key, outside, legal and accounting professionals.

Our approach uses mutual funds, individual equities, ETF's and individual bonds to manage client portfolios. As active investors, we are systematic and persistent in searching for asset classes that are selling at a considerable discount to their fair value. Likewise, we apply our extensive experience in identifying money managers to select only those who we are highly confident will deliver superior long-term performance. We believe that intensive research and a disciplined process are critical to investment success. In-depth, fundamental research and careful reasoning underlie every investment decision we make.

- D** We do not participate in or sponsor any wrap-fee programs.
- E** We manage \$1,001,733,985 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis. This amount was calculated as of December 31, 2022.

Item 5 – Fees and Compensation

- A Petso Financial generally charges its clients an annual management fee of 1% on accounts up to \$250,000, 0.90% from \$250,001 to \$500,000, 0.80% from \$500,001 to \$1,000,000, 0.70% from \$1,000,001 to \$2,000,000, and 0.60% or less on assets over \$2,000,000. Advisory fees are negotiable solely at Petso Financial’s discretion. The maximum allowable fee that can be charged may not exceed 2.25% of assets under management on an annual basis.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you roll assets from your employer’s retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a “Plan Account”), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an “IRA Account”) that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (*i.e.*, receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interests 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 interests;
- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of a rollover.

Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

As an alternative to providing you with a rollover recommendation, we may instead take an entirely educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be limited only to providing you with general educational materials regarding the pros and cons of rollover transactions. We will make no recommendation to you regarding the prospective rollover of your assets and you are advised to speak with your trusted tax and legal advisors with respect to rollover decisions. As part of this educational approach, we may provide you with materials discussing some or all of the following topics: the general pros and cons of rollover transactions; the benefits of retirement plan participation; the impact of pre-retirement withdrawals on retirement income; the investment options available inside your Plan Account; and high level discussion of general investment concepts (*e.g.*, risk versus return, the benefits of diversification and asset allocation, historical returns of certain asset classes, etc.). We may also provide you with questionnaires and/or interactive investment materials that may provide a means for you to independently determine your future retirement income needs and to assess the impact of different asset allocations on your retirement income. You will make the final rollover decision.

- B** Annual management fees are payable in four quarterly installments in advance of each quarter. The Fee will be equal to the respective percentage per annum below based on the market value of the Account at the end of the previous quarter. Petso Financial will bill the client an amount equal to one-quarter of the calculated annual fee. Any partial quarters are pro-rated based on the number of days in the quarter that Petso Financial provided the client services. The advisor deducts quarterly management fees from client accounts. For tax efficiency and other reasons, Petso Financial may suggest that fees for all accounts managed for a client be debited from a single client account. The debiting of a single client account has no effect on the total management fees charged by Petso Financial.
- C** In addition to fees paid to Petso Financial, the client will incur transaction fees and the usual expenses charged by mutual fund companies.
- D** Either party may terminate the investment advisory contract at any time by sending a written communication to the other party. The ongoing management fee will cease upon Petso Financial's receipt of notice of termination and Petso Financial will bill the client for that portion of the quarter already elapsed.

- E** Certain representatives of Petso Financial are also Registered Representatives of Mutual Securities, Inc. (“Mutual Securities”). Mutual Securities is not affiliated with Petso Financial. Certain representatives of Petso Financial are also licensed to sell insurance in one or more states, either through a licensed general insurance agency or as direct agent representative of a specific insurance company.

Securities and insurance related business is transacted with advisory clients, and representatives may receive commissions from products sold to clients. Clients are advised that the fees paid to Petso Financial for investment advisory services are separate and distinct from the commissions earned by any representative for selling clients insurance or other securities products. If requested by a client, we will disclose the amount of commission expected to be paid.

The receipt of commissions by representatives associated with the firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of investment advisory clients. As such, we will only transact insurance or securities related business with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. Clients are informed that they are under no obligation to use any individual associated with Petso Financial for insurance or securities products or services. Clients may use any insurance or brokerage firm or agent they choose.

Item 6 – Performance-Based Fees and Side-By-Side Management

Petso Financial does not charge any performance-based fees for its services or provide side-by-side management.

Item 7 – Types of Clients

We provide investment advice to individuals, high net worth individuals, corporations, trusts, foundations, and other charitable entities. The minimum portfolio size for ongoing management is \$25,000, negotiable solely at Petso Financial's discretion. Petso Financial will consider prospective clients based on their rapport with the IARs, a match in investment philosophy, and overall fit between the prospective client's needs and the firm's services.

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

ANALYSIS METHODS

We believe strongly in long term holdings. As investors are more and more driven to short term decisions we grow even more confident that a long term outlook is critical to investment success. As primarily contrarian and value investors, we believe in tactical allocation and can spend some time out of sync with current market trends. This can require patience on our part as well as our clients. Given that market conditions favor different styles at different times, we have found that an allocation to growth/momentum may reduce volatility and potentially increase returns. We are constantly looking for investments that are not correlated to each other or any particular index. To accomplish this, we may use alternatives, real estate and other investments.

INVESTMENT STRATEGIES

Petso Financial will recommend an initial allocation of assets (among stocks, bonds and cash) based on client objectives, time horizon, risk tolerance and, within certain limits, client preferences. The approach favors a wide range of globally diversified assets to assess optimal characteristics of a portfolio for each client's unique financial circumstances.

RISK OF LOSS

We firmly believe that no one can time the market or predict the future. Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in any type of security (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You need to be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, Petso Financial cannot represent, guarantee, or even imply that our services and methods of analysis:

1. Can or will predict future results;
2. Successfully identify market tops or bottoms; or
3. Insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through an investment management program.

Item 9 – Disciplinary Information

Petso Financial is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with Petso Financial has any information to disclose which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

As disclosed in Section 5, above, certain representatives of Petso Financial are also licensed as Registered Representatives with Mutual Securities. Mutual Securities is a registered broker-dealer, member of FINRA, and SIPC (CRD No. 13092). In their separate capacity as registered representatives, Petso Financial advisors will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Petso Financial advisors.

Petso Financial advisors are also licensed insurance agents and may receive usual and customary commissions associated with the sale of insurance products.

Mutual Securities and Petso Financial are not affiliated. Under no circumstances will a client of Petso Financial be deemed to be a client of Mutual Securities, nor will Mutual Securities assume any liability for Petso Financial advisors' actions unless client has an executed Mutual Securities client Agreement which has been accepted by Mutual Securities and client's claim is the result of those services agreed to in writing by and between Mutual Securities and client. Further, Petso Financial acknowledges that it is solely responsible for the securities transactions and advisory activities, and any liability arising out of such activities, of any of its owners, officers, partners, directors, employees, agents, and IARs, or persons holding similar status or performing similar functions that do not have appropriate and active securities registrations through Mutual Securities, and/or are not covered by Mutual Securities-approved errors and omissions insurance coverage.

When acting as registered representatives of Mutual Securities, Petso Financial advisors' investment recommendations will be limited to investment products offered through Mutual Securities. Other suitable investment products may be available through other broker/dealers or investment advisers at lower costs. A conflict of interest exists because of the duty to provide unbiased advice to clients and the potential receipt of commissions on transactions effected through Mutual Securities.

Certain Investment Adviser Representatives of Petso Financial are also licensed as insurance agents in one or more states, either through a licensed general insurance agency or as direct agent representative of a specific insurance company. The conflicts of interest associated with the above arrangements and how these conflicts are addressed are described in Section 5E, above.

Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading

A Petso Financial has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any client or prospective client upon request by contacting Jennifer Stone at (208) 853-2000 or jstone@petsofinancial.net.

B,C,D We do not own or manage any companies or investments that we advise our clients to buy.

Petso Financial or individuals associated with our firm may buy and sell some of the same securities for their own account that Petso Financial buys and sells for its clients. When appropriate we will purchase or sell securities for clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases Petso Financial or representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our clients. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory clients while at the same time, allowing employees to invest their own accounts.

Petso Financial will disclose to advisory clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of Petso Financial shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of Petso Financial shall prefer his or her own interest to that of the advisory client.
2. Petso Financial maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of Petso Financial reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to termination.

Item 12 – Brokerage Practices

A Our clients' assets are held by independent third-party custodians. Except to the extent that the client directs otherwise, Petso Financial may use its discretion in selecting or recommending the broker-dealer. The client is not obligated to effect transactions through any broker-dealer recommended by Petso Financial. In recommending broker-dealers, Petso Financial will comply with its fiduciary duty to seek best execution with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order; and
- Any other factors that we consider to be relevant.

Generally speaking, and so long as TD Ameritrade continues to meet the above criteria, we will recommend that clients establish brokerage accounts with TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade"), an independent and unaffiliated registered broker-dealer. In connection with our use of TD Ameritrade, we participate in TD Ameritrade's institutional services advisor program ("the program"), which offers to independent investment Advisors, such as us, services which include custody of securities, trade execution, clearance and settlement of transactions. We also receive some benefits from TD Ameritrade through our participation in the program. (Please see additional disclosures under Item 14 below.) We work with broker dealers primarily for administrative convenience and because they offer a good value to our clients for the transaction and other costs incurred.

B Petso Financial may aggregate trades for clients. The allocations of a particular security will be determined by Petso Financial before the trade is placed with the broker. When practical, client trades in the same security will be bunched in a single order (a "block") in an effort to obtain best execution at the best security price available. When employing a block trade:

- Petso Financial will make reasonable efforts to attempt to fill client orders by day-end.
- If the block order is not filled by day-end, Petso Financial will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep client transaction costs to a minimum.
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed.
- All participants receiving securities from the block trade will receive the average price.
- Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment to some or all of Petso Financials clients, Petso Financial may deviate from this policy.

Item 13 – Review of Accounts

- A** Accounts are reviewed by Jennifer Stone who is responsible for overseeing all regulatory compliance for the firm. See Mrs. Stone’s Form ADV Part 2B, Item 2 for more information about her. The frequency of reviews is determined based on the client’s investment objectives. Accounts are generally reviewed quarterly, but in any event, no less than annually.
- B** More frequent reviews may be triggered by a change in client’s investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in the economic climate.
- C** Investment advisory clients receive standard account statements from the custodian of their accounts on a quarterly basis. Petso Financial also provides clients with a verbal report summarizing the account activity generally quarterly, but in any event, no less than annually.

Item 14 – Client Referrals and Other Compensation

With the exception of the items disclosed in this section, we do not compensate, nor receive compensation from, any third parties in connection with any services we provide for clients, including referrals. Neither Petso Financial nor its related persons directly or indirectly compensate or receive compensation that is disclosable pursuant to this Item.

As disclosed under Item 12 above, Petso Financial participates in TD Ameritrade's institutional services advisor program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Petso Financial's participation in the program and the investment advice it gives to its clients, although Petso Financial receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Petso Financial by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Petso Financial's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Petso Financial but may not benefit its client accounts. These products or services may assist Petso Financial in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Petso Financial manage and further develop its business enterprise. The benefits received by Petso Financial or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Petso Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Petso Financial or its related persons in and of itself creates the potential for a conflict of interest and could indirectly influence Petso Financial's choice of TD Ameritrade for custody and brokerage services.

Petso Financial also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the use of the portfolio management and CRM software programs Croesus and Blueleaf, which we use to monitor portfolio performance, generate customized client reports, and fee billing. TD Ameritrade provides the Additional Services to Petso Financial in its sole discretion and at its own expense, and Petso Financial does not pay any fees to TD Ameritrade for the Additional Services. Petso Financial and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Petso Financial, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Petso Financial's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with

PETSO FINANCIAL CONSULTANTS LLC
Form ADV Part 2A

Petso Financial, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Petso Financial may have an incentive to recommend to its clients that the assets under management by Petso Financial be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Petso Financial's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for client accounts.

Item 15 – Custody

With the exception of Petso Financial’s ability to debit fees from client accounts, and our ability to disburse certain funds pursuant to a Standing Letter of Authorization (SLOA) executed by a Client, Petso Financial does not otherwise have custody of the assets in the account(s).

Petso Financial shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a custodian.

Item 16 – Investment Discretion

Petso Financial has ongoing and continuous discretionary authority to execute its investment recommendations for clients in accordance with Petso Financial's Statement of Investment Policy (or similar document used to establish each client's objectives and suitability), without the client's prior approval of each specific transaction. Under this discretionary authority, client allows Petso Financial to purchase and sell securities and instruments in their account(s), arrange for delivery and payment in connection with the foregoing, and act on behalf of the client in matters necessary or incidental to the handling of the account, including monitoring certain assets.

Item 17 – Voting Client Securities

- A** Without exception, we do not vote proxies on behalf of clients.

- B** We do not have authority to vote client securities. Clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a client, they will be sent directly to the client or a designated representative of the client, who is responsible to vote the proxy.

Item 18 – Financial Information

- A** Under no circumstances will Petso Financial collect more than \$1,200.00, more than six months in advance of services from any client.
- B** Petso Financial has discretionary authority over client funds and securities, but we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to clients.
- C** Neither Petso Financial, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past.