

COMPLY WITH US

PFG & VICUS CAPITAL'S COMPLIANCE NEWSLETTER

[CATCHING UP WITH NEW BUSINESS]

This section is intended to keep you apprised of procedures and policies related to Cetera and Vicus new and on-going business. This could entail tips on how to complete and submit an application or any efficiencies that we can impart to help you.

[QUICK REWIND]

This section provides a look-back at previous communications that we feel could use a reminder.

[REGULATION STATION]

Everyone's favorite topic! Regulation Station is where we keep you updated on state and federal regulations likely to affect you and your business.

[COMPLY WITH FUN!]

Who says you can't learn while having fun? This section includes an interactive activity centered on topics presented throughout this edition of Comply With Us.

[DEAR COMPLIANCE]

Our version of "Dear Abby." You are able to send in questions and we respond and share with all of our readers. Don't worry, you can be anonymous!

[CAUTIONARY TALES]

Here we highlight the latest FINRA Disciplinary actions and extraordinary or unusual situations encountered by your colleagues as a cautionary tale so that you can avoid pitfalls and learn new from their experiences.



Catching Up With New Business

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CATCHING UP WITH NEW BUSINESS

Avoiding NIGOs and Speeding Up Application Processing

With so many forms, boxes, and sections to complete, it's easy to miss small details. To help reduce NIGOs, speed up processing, and avoid chasing client signatures, please review these quick reminders:

Vicus Capital Client Profile & IMA

Account Information:

- **Employment Information (p. 1 - 2):**
 - If the client is retired, you must list their last job title and employer.
- **Identification (p. 2):**
 - Check the box confirming the advisor viewed the ID.
 - Enter the state or country that issued the ID.
- **Affiliation (p. 2):**
 - Answer both questions for all accounts.

Step 1: Account / Client Profile:

- **Registration (p. 5):**
 - Format as: Client Name, Account Type (e.g., "Jane Doe & John Smith, JTWROS").
 - Do not list joint accounts as two individual accounts.

Step 4: Portfolio Override (Optional) (p. 8):

- Check the box in the top section that most closely matches the risk tolerance score and then select the chosen portfolio override below.

Pass-through accounts: Do **not** complete a Client Profile and IMA.

Vicus Capital Fee Appendix

Elements Strategies:

- Enter advisor fees in both Sections A and B (Elements and Parent version of the strategy).
- Check the correct parent path in Section B and ensure it matches the path at the top of the Client Profile.

Updates:

- Client signature is required for any corrections.

Vicus Capital IRA/Rollover Recommendation Form

Section A, Part 1:

- Only use "Other" fields when option is not available and pre-selected boxes do not apply.

Section C, Part 1:

- Mark "Yes" **only** if funds come from a non-qualified/non-retirement account.

Section D:

- Complete Columns A & B thoroughly for rollovers, transfers, or strategy changes.
- Disclose current client fees as required by DOL.
- Fill all blank cells ("0", "-", or "N/A").
- Double-check decimals and math.
- For mutual funds, separate up-front and ongoing fees (e.g., "x.xx% on deposits + y.yy%").
- Typically list 3 fees in Column C: fund expenses, investment management fee, and advisor fee (plus total).
 - Contact Advisor Engagement for Fusion or PCS investment management fees.
- Include expense ratios for Money Market Funds.
- For fee-free accounts (pensions, bank accounts, fixed annuities), enter "0.0%".
- If proposed fees are higher, answer:
 1. Why this model?
 2. What's the client gaining?
 3. Why did they choose to work with you?

Section E:

- When surrendering annuities or taking pension distributions, disclose all surrender fees and lost benefits (e.g., lifetime income, survivor benefits) as required by DOL.

Ensure all text box responses are client-specific and aligned with the recommendation.

Please reach out to Robert Pfahl at rpfahl@vicuscapital.com or at (814) 235-3513 with any questions.

Always Keeping You Up to Date

There has been a wide variety of communications from your Compliance team since the last issue of Comply With Us as we strive to keep you and your business aligned with the latest regulatory requirements and protect both you and your clients. This edition of Quick Rewind summarizes some of the most notable info releases sent since August of 2025. **Click the stocking to access the full information.**



Holistiplan
Moving To
Household Pricing

As Holistiplan continues investing in capabilities and improving, they have changed the pricing structure to better align with the capabilities of its tools. The new pricing will be based on **Households**, instead of **Uploads**.



Cetera Stepping Up Enforcement
of Form CRS and BIC Application
Requirements

Cetera Supervision recently notified OSJ Managers that they are stepping up their enforcement of the requirements of the SEC’s Regulation Best Interest based on continuing feedback from Cetera’s Audit teams. To help you comply with these rules, we are happy to share some reminders regarding requirements and the consequences of failing to do so.



Vicus/eMoney
Firm Agreement
Pricing Change

We recently received notice from eMoney that there will be a 5% increase in their rate effective at the contract renewal date, December 1, 2025. eMoney reiterated its commitment to providing you with the technology you need to do more planning for more people. This change allows them to further invest in optimizing your platform experience, boosting performance, and delivering more value to you and your clients.



2025
Annual Compliance
Video

Back in October, the Compliance Department released the 2025 Annual Compliance Video. Although only IARs were required to watch the video in its entirety and complete the attestation, we believe that this is a good informational resource that can be referenced throughout the year. The video, presented by members of your compliance team, discusses various topics and important reminders.

SEC Exam Priorities 2026

Key priorities for the regulators in the coming year will continue to have a focus on “back to the basics.” Specifically, scrutinizing advisors’ adherence to fiduciary standards; complex products; and technology such as artificial intelligence use, software systems, and cybersecurity.

As always, it is imperative that as a fiduciary to your clients you are adhering to duty of care and duty of loyalty standards. Elder clients’ accounts are likely to be reviewed to make sure that investments are in line with their risk tolerance and investment objectives. This is especially true for those saving for retirement, or near retirement age. Use of complex products will be reviewed as well, assuring that the client is suited for the investment and understands the risks as they typically involve higher fees and less liquidity.

If you are outsourcing services or software that may provide access to Personally Identifiable Information (PII), be sure that you know the controls the service/software have in place to protect it. Would a disruption to their systems expose your clients’ data? Be very mindful of who can access what data, intentionally or unintentionally. Review the specific protocols of the party with whom you are working to understand if they will notify you when an unauthorized actor has accessed your confidential

or proprietary data. In short, make sure you have done a deep dive on any of the services you choose to use, particularly if it holds client information.

Although the SEC and other regulators have yet to issue any official guidance on Artificial Intelligence (AI), use of this technology will be reviewed to determine if there was proper due diligence and a thorough evaluation conducted on the products before use. It is especially important to have a serious review when use of PII is involved. AI certainly helps offices run more efficiently, but that should not outweigh the importance of safeguarding your client’s data. In addition, a human review is necessary to make sure that all AI-generated materials are accurate.

There is a great deal of focus on AI that involves automated investment tools, tracking algorithms, and digital engagement practices. The use of these systems, and how they are advertised and disclosed to the public, receive scrutiny as it is important for the public to understand when the tool is used and how. Not all AI systems are engineered the same, nor do they have the compliance mind-set of the financial services industry. AI is evolving at a high rate of speed; it is important to keep up with the technology but assure that accuracy is not sacrificed.

These are just some of the highlights of the SEC Exam priorities. For a full list you can reference, click here.

Please reach out to Kim Casner at kcasner@vicuscapital.com or at (814) 231-2221 with any questions.

1. <https://www.mofo.com/resources/insights/241101-sec-division-of-examinations-2025-exam-priorities>
2. <https://www.napa-net.org/news/2025/11/sec-2026-exam-priorities-to-focus-on-older-investors-retirement-savers/#:~:text=The%20Securities%20and%20Exchange%20Commission's,an%20SEC%20focus%20in%202026>
3. <https://www.investmentnews.com/regulation-and-legislation/sec-2026-exam-focus-fiduciary-duty-private-credit-fintech/263105#:~:text=REGULATION%20AND%20LEGISLATION-,SEC%202026%20regulatory%20focus:%20Fiduciary%20duty%2C%20private%20credit%2C%20fintech,expectations%20in%20the%20coming%20year>

Who says learning can't be fun? In an effort to help you break up the monotony of your day, we bring you Comply With Fun! This edition includes a word search incorporating keywords and topics from articles included in this edition of Comply With Us. We hope you enjoy the fun and let us know how you make out with the word search!

CLICK HERE
to open the word search in a new window!

COMPLY WITH FUN

C	J	R	E	N	F	O	R	C	E	M	E	N	T	O	S	Y	S
P	A	Z	N	S	K	D	M	C	L	I	E	N	T	P	G	R	P
L	A	N	G	U	A	G	E	X	X	J	T	A	N	R	R	N	E
L	R	N	R	Q	H	X	N	Y	U	D	A	P	G	I	E	I	E
O	P	T	I	M	I	S	T	I	C	D	M	P	X	O	W	G	D
B	T	Q	Y	S	M	F	A	V	O	I	D	E	E	R	I	O	I
S	X	I	C	I	L	L	I	A	N	D	O	N	G	I	N	X	N
T	P	M	U	K	E	J	S	C	Q	Z	M	D	M	T	D	B	G
E	C	H	A	T	G	P	T	J	U	M	P	I	F	I	D	O	K
R	T	D	I	V	O	R	C	E	A	X	E	X	V	E	L	A	K
E	L	D	E	R	C	O	M	P	L	E	X	M	Y	S	H	E	F
C	O	U	S	I	N	S	U	S	P	E	N	D	E	D	J	X	C

APPENDIX
AVOID
CHATGPT
CILLIAN
CLIENT
COMPLEX
COUSINS

DAF
DIVORCE
ELDER
ENFORCEMENT
JUMP
LANGUAGE
LOBSTER

NIGO
OPTIMISTIC
PRIORITIES
REWIND
SPEEDING
SUSPENDED

The answers to the word search are on the back cover- no peeking!

Artificial Intelligence (AI) FAQs

Artificial Intelligence (AI) has quickly become a hot topic in all aspects of our lives. Vicus Capital has been fielding frequent questions regarding allowed use cases, approved platforms and how we're navigating this new landscape. Please read on for answers to some frequently asked questions regarding AI!

How is the securities industry embracing the use of AI?

As with most industries, the securities industry sentiment seems to have reached a consensus: we're not moving forward without using AI, and why would we want to? AI tools have proven that they can drastically save time and improve efficiency, but we need to remain diligent in assuring output accuracy and maintaining client privacy and security.



How is Vicus Capital navigating implementation of AI?

Over the past year, members of your Vicus Capital team have attended webinars, joined AI focused working groups, sat in on product demos, and held conversations both internally and externally with contacts across the industry in order to remain on pace with adopting policies and approving platforms. You can review our current policy by clicking the thumbnail to the left.

Does Vicus Capital approve any specific use cases?

As of publication, Vicus Capital allows for the use of Generative Artificial Intelligence (genAI) in a generic sense. Some examples of allowed use:



Market Research



Drafting templates for written communication



Generating draft marketing materials or ideas

Two important considerations to remember while using genAI:

- Client identifiers and private data should NEVER be included in a prompt or input.
- Human review is REQUIRED. Output should always be checked for accuracy.

Notetaking is also permitted - please see the next question for more details.

Does Vicus Capital approve any specific AI platforms?

AI Notetaking is permitted on approved platforms. As of December 2025, Vicus Capital has two approved platforms for notetaking:



Approved at both Cetera and Vicus Capital



Currently approved for Vicus Only clients; we expect Cetera to approve soon

We are in constant communication with Cetera regarding Zocks approval and will be sure to pass the word along as soon as it's approved!

What does Vicus Capital look for when reviewing new vendors who utilize Artificial Intelligence?

What Large Language Model (LLM) is utilized in the performance of the software?

Vicus is looking for known, secure language models. For example, models that are built or sponsored by Amazon, Google or Microsoft are generally considered secure according to industry standards. This does not mean that we skip the review of security documents.

Is the model being trained on customer input?

Some AI platforms use customer input to improve their models. This creates a risk that sensitive information could influence outputs shown to other users. When evaluating AI software, we verify the vendor's data retention and training policies. Many platforms offer an opt-out option for training, while others keep customer data completely isolated. This is critical when dealing with client security and privacy. If the vendor trains their model on customer input without a clear opt-out, this would be an automatic deal breaker for approval.

Is it specific to the Financial Services/ Securities Industry?

It won't be a deal breaker if the platform is not designed specifically for financial services; however, this fact will be taken into consideration. In this highly regulated industry, platforms that are designed around SEC and FINRA regulations are generally easier to supervise because they are aware of the rules and regulations that must be followed.

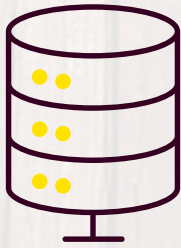
How does the platform verify output accuracy?

Generative AI can produce anomalies, also known as hallucinations. These hallucinations are not consistent with the desired output, and the information is produced without proper backup from the input data. We look for the platform to have systems in place to "audit" outputs and make sure the model is operating as expected.

Please reach out to Kelly Burger at kburger@vicuscapital.com or at (814) 235-3515 with any questions.

LATEST DISCIPLINARY ACTIONS

AI- and Cryptocurrency-Related Securities Class Action Filings in 2025



Cornerstone Research recently published its 2025 midyear assessment of securities class action filings. Compared to the second half of 2024, securities class action filings in the first half of 2025 decreased slightly from 115 to 114 filings. However, notably, the numbers of Artificial Intelligence (AI)- and cryptocurrency-related filings increased significantly when compared against the second half of 2024. Click [HERE](#) to view the full article.

Ex-Wells Fargo Broker Fined, Suspended for Off-Channel Texts to Colleague



On October 9, 2025, the Financial Industry Regulatory Authority imposed a \$10,000 fine and one-year suspension on a former Wells Fargo Advisors broker in Elkin, North Carolina, over allegations that he sent business-related messages to a colleague using a personal phone. Click [HERE](#) to view the full article.

SEC Charges New Mexico Investment Adviser Firm and Owner with False and Misleading Statements and Failing to Disclose Conflicts of Interest



On June 2, 2025, the Securities and Exchange Commission charged New Mexico investment advisory firm New Line Capital, LLC and its owner and managing member David A. Nagler for breaching their fiduciary duties and defrauding their advisory clients by making false and misleading fee disclosures and failing to disclose related conflicts of interest. Click [HERE](#) to view the full article.

Unicoi, Top Executives Charged in Offering Fraud That Raised More than \$100 Million from Thousands of Investors



On May 20, 2025, the Securities and Exchange Commission charged New York City-based Unicoi, Inc. and three of its top executives - CEO and Board Chairman Alex Konanykhin, former president and former board chairwoman Silvina Moschini, and current board member and former Chief Investment Officer Alex Dominguez - for false and misleading statements in an offering of certificates that purportedly conveyed rights to receive crypto assets called Unicoi tokens and an offering of Unicoi, Inc.'s common stock. Click [HERE](#) to view the full article.

Cautionary Tales highlight some of the latest disciplinary actions levied throughout the industry. At times, we will present a more personal look at disciplinary actions by providing some anonymous examples of actions levied against your fellow colleagues. We hope that this brings some insight into what to avoid and possible red flags.

>_The Tale of Isaac - ChatGPT

“Here’s your usual, Isaac,” announces Cillian while extending his hand out of the Cousins Maine Lobster food truck window. Cillian is the oldest son of Declan Murphy, Isaac’s old friend and longtime client. Cillian recently bought a Cousins Maine Lobster franchise and found a great location around the corner from Isaac’s office. Cousins Maine Lobster took off after appearing on “Shark Tank” in 2012.

Isaac saunters over to a nearby bench and excitedly opens the wrapping which contains his made-to-order Connecticut Roll. Featuring Maine lobster, served warm with butter and lemon on a buttered and grilled-until-golden-brown New England-style split-top bun, Isaac eagerly takes his first bite. As his taste buds connect with the signature lobster roll, Isaac thinks to himself, “this is definitely heaven on a bun”.

After a few bites, Isaac wipes the butter coating his fingers, lifts his iPad into view and scrolls through his list of deliverables for tomorrow’s client meeting. Mentally checking off each item as his eye moves down the list, Isaac abruptly stops at the sixth entry- “Provide information about Donor-Advised Fund (DAF) accounts”.

Muttering to himself, Isaac quickly launches his ChatGPT app and asks about DAFs. The AI language model easily generates a definition and talking points. He hits copy and saves the information into the client meeting folder.

Isaac polishes off the last bites of the roll, dunks his trash in the can and heads back to the office.

>_So What’s the Trap?

If Isaac solely relies on the ChatGPT output without further review, he could be in violation of both the firm AI Use Policy and Compliance Manual. Isaac is required to confirm accuracy of the output through the use of verifiable sources and make sure that the information can be easily understood by the client. In addition, Isaac needs to be prepared to have a balanced discussion with the client that includes both the pros and cons of using a DAF account.

>_Per the Artificial Intelligence Use Policy:

AI tools may be used to augment, but not replace, Affiliated persons’ professional judgment. Errors made by AI will be the responsibility of the Affiliated person using it. Therefore, Affiliated persons must review all AI-generated analysis and outputs before acting upon or implementing the analysis or outputs. Without limiting the above, AI tools may not be used for:

1. Generating financial advice or making investment recommendations without Affiliated persons’ oversight;
2. Automated trading decisions (as opposed to implementation); or
3. Direct client communication without review.

>_Per the Compliance Manual:

Section 9. COMMUNICATION WITH CLIENTS AND THE PUBLIC – THE NEW MARKETING RULE

General prohibitions include:

1. Untrue statements of material facts, or omissions of a material fact necessary to make the statement made, in light of the circumstances under which it was made, not misleading.
2. A material statement of fact that the advisor does not have a reasonable basis for believing it will be able to substantiate upon demand by the Commission.
3. Information that would reasonably be likely to cause an untrue or misleading implication or inference to be drawn concerning a material fact relating to the advisor.
4. Discussing any potential benefits without providing fair and balanced treatment of any associated material risks or limitations.

Solutions

COMPLY WITH FUN

C	J	R	E	N	F	O	R	C	E	M	E	N	T	O	S	Y	S
P	A	Z	N	S	K	D	M	C	L	I	E	N	T	P	G	R	P
L	A	N	G	U	A	G	E	X	X	J	T	A	N	R	R	N	E
L	R	N	R	Q	H	X	N	Y	U	D	A	P	G	I	E	I	E
O	P	T	I	M	I	S	T	I	C	D	M	P	X	O	W	G	D
B	T	Q	Y	S	M	F	A	V	O	I	D	E	E	R	I	O	I
S	X	I	C	I	L	L	I	A	N	D	O	N	G	I	N	X	N
T	P	M	U	K	E	J	S	C	Q	Z	M	D	M	T	D	B	G
E	C	H	A	T	G	P	T	J	U	M	P	I	F	I	D	O	K
R	T	D	I	V	O	R	C	E	A	X	E	X	V	E	L	A	K
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C	O	U	S	I	N	S	U	S	P	E	N	D	E	D	J	X	C

COMPLY WITH US

DECEMBER 2025

Here to support you and your business throughout the year.

compliance@vicuscapital.com