March 31, 2024
Form ADV Part 2

ProActive Advisors Firm Brochure
CRD # 147332

806 Euclid Ave ■ Suite 306 ■ Lexington, KY ■ 40502
Telephone (859) 263-1117 ■ Toll Free (800) 737-1117
www.proactiveadvisors.com ■ Fax (859) 263-1312

Item 1 Cover Page

This Firm Brochure provides information about the background, key management, qualifications, and business practices of ProActive Advisors, LLC ("ProActive"), an investment management and advisory firm. This information has not been approved or verified by the US Securities & Exchange Commission or any State Regulatory Agency. Should you have any questions about the contents of this Firm Brochure, please contact ProActive at (859) 263-1117 or info@proactiveadvisors.com. Registration of an Investment Advisor does not imply any level of skill or training. You may also obtain additional information about ProActive Advisors on the SEC's website at: www.adviserinfo.sec.gov. You may obtain a FREE copy of our Firm Brochure by sending us an email at info@proactiveadvisors.com or by calling us at 859-263-1117 or 859-263-8500

Item 2 Material Changes

Annual Update

Material changes are changes in our services, cyber-security breaches, changes in advisory personnel, changes to our organizational governance, changes in our fee arrangements, and changes in our relationships with related persons and outside entities that affect you and our business together.

This "Firm Brochure" dated March 31, 2024, updates and replaces our previous filing dated March 31, 2023.

Pursuant to new regulatory requirements, ProActive has developed policies & procedures to periodically assess and evaluate risks from cyber security threats and how to reasonably prevent them. These policies include staff cyber security training, regular IT checkups to make certain our anti-virus and computer system software is updated, periodic changes in passwords with multi-factor authentication for logging in, and encrypted back up or private client information. We have supplemented our Firm Brochure with greater detail about our account supervisory investment management process under Item 8. Under this Item 8 entitled: "METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS," we provide greater detail about our use of hedging and inverse funds and the risks associated with holding these securities as well as the various risks inherent in securities we own in managing client accounts.

In the past we have allowed IARs who are firm "Access Persons" to buy and sell the same securities for their own account that we do for clients so long as the securities were mutual funds, ETFs, or securities with a market cap of at least $200 million and part of our 360Portfolios program transactions. We have changed this policy to prohibit same day trading in all securities for greater assurance there will be no conflict of interests in our account management as some days despite executing orders on a rotational basis the spread between the bid and ask can widen if a security is volatile on that day resulting in a more favorable fill or transaction price. The intent of this change is to eliminate any chance of a conflict of interest regarding trades made.

Because regulations and legislative changes increase the need for specialization particularly in complex matters of tax and estate planning, trusts, succession planning, and small business sales, we are developing a collaborative work product effort with CPAs and Attorneys under a Virtual Family Office model. Under this approach we will provide clients access to specialized tax and legal counsel by curating professional relationships and ProActive will "quarterback" the work process to see it through to completion. We expect this approach to be a more affordable alternative to the "ultra-rich" family office model when addressing more complex legal and tax matters. Clients will have access at no additional charge. After a presentation is made demonstrating the expected client benefits and/or cost savings, and prior to implementation, they will sign a separate engagement agreement with the third-party professional disclosing charges in advance of their acceptance. ProActive shall not share in their compensation.

Finally, to increase transparency in offering financial & retirement planning and/or investment management services we have created a "fee for service" web page describing what services we provide and for what fee. We have adopted Wealth Management as the term to describe our advisory service that includes financial planning and on-going investment management. We hope this detail enables prospective clients to self-select what they need and ready questions ahead of their complementary meeting with us. Clients utilizing our on-going investment management services where we implement, monitor, and manage market risk in their accounts will continue to receive these core services at no additional cost.

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Item4 Advisory Business Practices

ProActive Advisors provides financial planning and on-going investment management services to clients acting under a fiduciary standard of care. As such we work in our clients' best interests, having primary loyalty to them and not to any custodian, bank, brokerage, or insurance company. In providing financial planning our efforts are focused upon gathering and organizing relevant facts to devise a personalized investment plan for overcoming obstacles and achieving financial goals. Our goal in providing financial planning is to make it cost effective and provide a value above the cost of our professional services.

ProActive's utilizes our 360Portfolios' methodology for investment management which is integral to our overall advisory service process. We believe planning is a blueprint for action to reach a financial goal and that implementation, monitoring and careful risk management are essential for good long-term financial outcomes. Portfolios using our 360Portoflios strategy may hold exchange traded funds (ETFs), inverse funds, no load mutual funds, closed end funds, money market funds, preferred & common stocks of companies that may also have warrants, option contracts on common stocks, REITs, and corporate, government treasuries & agency issues, and municipal debt securities. The selection, diversification, and allocation weighting decisions are made by the Advisor incorporating the client's investment profile which includes their need for income, growth, safety, liquidity and tax advantages as well as their appetite and risk capacity. The Advisor does not accept any commissions when buying and selling these securities.

Money Management Services

ProActive was founded in 2008 by Lawrence S. York, the firm's Managing Director and Chief Investment Officer. Mr. York is the sole owner controlling 100% of the firm. We utilize five (5) actively managed core portfolio types targeting income, growth, and capital preservation at various Reward-for-Risk levels. We refer to these model portfolios as the "360Portfolios" (as described below) and guide clients in combining amongst the five portfolio types to pursue their investment goals. Clients may additionally impose restrictions on investing in certain types of securities. As of February 28, 2023, ProActive Advisors had $35,498,421 in assets under management of which $511,710 or 1.4% are overseen on a non-discretionary basis.

IncomeMax–	Targets Current Income with 5 - 8% annual, total returns and stable principal value. Mix with another portfolio type for inflation protection
Growth&Income–	Targets 8 -10% average, annual, total returns with inflation protection while seeking to limit principal loss at @10%.
ALLGrowth–	Targets 10-12% annual, compounded returns with less volatility and risk exposure than the broad market while seeking to pro-actively manage market risk.
GroPlus–	Targets above-average, annual compounded returns of 12-15% using hedging & risk management to combat market loss.
AGGroMax–	Invests in growing, innovative and disruptive companies to target high, compound returns of 15%+. May utilize options, occasional leverage and long/short positions to enhance returns and seek profits in up or down markets.

The target annual total returns listed above are goals only and not a guarantee of return or profit. The Core Portfolio types are portfolio models or templates to begin portfolio design. They may be mixed to better target your investment objectives and financial needs. For example, mixing 50% IncomeMax + 25% Growth&Income + 15% All Growth + 10% AGGroMax may more accurately target current income and above-average growth with less risk than a Growth portfolio. After your investment profile and investment goals are determined, the Advisor will personalize and tailor the portfolio to your risk capacity threshold. Then the advisor will provide pro-active supervisory and money management services on an on-going basis seeking to combat market risk by raising and lower risk exposure as they judge necessary within the financial parameters established.

Advice & Financial Planning Services

We have described our 3 most requested fee for service offerings detailing what their purpose and cost are as well as what's included on our website "Fee for Services" page. Investors may engage us to provide these services on an as needed "project" basis. These services consider the Client's age, time horizon, objectives, income, growth, liquidity, risk capacity, and tax situation to determine a client financial profile which is considered when providing financial guidance and recommendations. These core or basic advisory services are included at no additional charge as part of ProActive's Wealth Management services. Wealth Management services additionally include on-going implementation, portfolio monitoring, and risk management while 'project engagements' do not.

ProActive additionally provides certain specialized financial planning and business consulting services under a separate fee-for-service engagement agreement for those requiring more specialized planning and advice. These services typically require collaboration with other third-party professionals including the client's CPA and attorney. If in our sole discretion, a financial planning or business consulting service falls outside the scope of our core planning and money management services we will advise clients of that case and offer a separate engagement agreement to provide the service(s). Where necessary our advisory services may be provided in collaboration with your other professional advisors (CPA or Attorney) upon your request.

Item 5 Fees & Compensation

Clients pay advisory fees as a percentage of assets under management in accordance with ProActive's Advisory Fee Schedule as detailed below. At our sole discretion, fees may be negotiable. Fees are usually billed quarterly in advance and calculated according to the formula: *Account Value x Annual Fee x # of Days in Period/# of Days in Year = Fee for Period*. Account values are obtained and/or downloaded from custodians and may include accrued interest and dividends earned but not yet paid. Family member accounts, including trust accounts, may be aggregated for to meet minimums and to gain advantage of lower fees. New client's accounts commencing between quarters are billed on a pro rata basis for the remaining days in the quarter. Accounts established within two weeks before the end of the quarter are typically billed at the start of the next quarter and include the days of the prior quarter. Clients making contributions into, and withdrawals from, their account(s) during a billing period do not have their fees prorated for the days these funds were managed or not. Fixed income only account management fees are generally 0.50% annually for the first $5.0 million and 0.35% for amounts over that.

ProActive Advisor's Advisory Fee Schedule

Assets	Annual Fee
Up to $999,999	1.25%
$1.0 MM – $2.49 MM	1.00%
$2.5MM – 4.99MM	.85%
Over $5.0 Million	Let's Talk

Clients may pay separate custodial, brokerage, and investment sponsor charges when purchasing mutual funds, exchange-traded funds ("ETF"s), real estate investment trusts ("REIT"s), and partnerships. These securities have internal fees and expenses that are additional and typically deducted out of the fund's daily net asset value. These expenses are described in each fund's or sponsor's prospectus and may include 12b-1 distribution and service fees paid to your broker dealer and their registered representatives. Custodians and broker dealers may also charge transaction fees. Because investment costs lower returns, ProActive strives to minimize them. Please also see Item 12 below in this Firm Brochure for additional information on ProActive's custodian and broker dealer practices.

We permit our insurance licensed investment advisor representatives ("IAR"s) to sell whole life, term, and fixed annuity insurance products (these individuals are not permitted to sell "load" or up-front commission-based variable insurance products to clients) though they may use fee-based variable annuities for clients who may benefit by additional tax deferral and/or income riders for part of their savings. Insurance companies typically compensate these IARs directly for working as an agent on their behalf and price their products much like a bank CD so that the net yield or credit interest/dividend paid is the net amount after this compensation. This may present a conflict of interest as it could provide an incentive for IARs to recommend these products to clients based on the compensation received rather than the needs of the client. To address this potential conflict that additional compensation is the motive for making the recommendation and not the client's best interest, all ProActive's staff and IARs adhere to a Code of Ethics requiring IARs to always act in your best interests as fiduciaries and to disclose their "Agent" capacity. Additionally, ProActive's compliance officer also examines client suitability and contract benefits to confirm client need and suitability seeking to prevent conflicts from occurring.

ProActive's Advisory agreements have an open-end term but may be canceled at any time by either party providing 30 days written notice to the appropriate parties' last known address. If our Advisory agreement is canceled or terminated between a billing period, fees for the remaining days in the period are refunded. Should a terminated client request post-management client services such as requests for duplicate statements, cost basis information, tax reporting assistance, and estate administration help these services may be billed at our standard hourly financial planning rate of $250.00 per hour and will be disclosed in advance. These fees can be entirely avoided by electing to waive pro rata fees remaining in the billing period at termination or by canceling your contract effective at the end of any quarter.

Financial Planning Fees - $250/Hour & on a Project Fee Basis

Basic or core financial planning services are included with our wealth management services, but certain advanced planning and business consulting services fall outside of the scope of standard financial planning services included. These advanced planning services require collaboration with third party legal and tax advisors and are billed under a separate, written agreement with you and generally require a retainer fee up-front with the balance due upon completion. The fee is based on an hourly basis or a project fee basis considering the estimated time and the complexity of the work involved. Hourly fees are billed at a $250 per hour rate. Project fees are quoted in advance, and the project description is detailed in the engagement agreement with the fee for service detailed. Planning work delayed or not able to be finished because incomplete information is provided or not made available is billed as completed after 90 days and 3 notices to the client for said information with no resolution. Work is considered "complete" after we have delivered a written report to you on the agreed upon subject matter in our engagement agreement.

Payment of Management & Financial Planning Fees

Clients may choose to have fees deducted from one or more designated accounts at their brokerage firm or other custodian, pay by debit or credit card, ACH draft, or be invoiced quarterly and pay by check. Our default payment method is to submit invoices to custodians who debited fees for our services. (Note: an 'ACH' draft is a client authorized bank debit from your account to ours for payment.)

Item 6 Performance-Based Fees and Side by Side Management

ProActive does not charge performance-based fees (fees based on a share of capital gains on account appreciation of the assets of a client).

Item 7 Types of Clients

ProActive generally offers advisory services to:

- Individuals
- Families
- Private trusts
- Small Business Owners
- (ERISA) Retirement plans
- Companies

Item 8 Methods of Analysis, Investment Strategy & Risk of Loss

Our investment approach is anchored on the principle of "Compounding" which focuses on owning the best investments, keeping investment costs low, and combatting market risk. It is an adapted *Total Return methodology* that incorporates a flexible asset allocation and robust risk management process. Our investment process strives to build wealth through long-term compounding of Interest, Dividends and Capital Gains—the degree of which (interest, dividends, and capital gains) is dictated by market opportunity and client financial circumstances & goals. Our process has five steps that begins with 1. an assessment of the health of the market, 2. looks at sectors and industries that are performing best, 3. sets client asset allocation considering steps 1 & 2 in conjunction with client financial objectives and circumstances (their "client investment profile"), 4. selects portfolio holdings that are favorably valued and opportune, and then 5. sets "At Risk" parameters to monitor and combat market loss with a loop-back feature to restart the process when indicators trigger review is needed.

ProActive's management style may be considered "unconstrained" and "top-down + Bottom-up" because we construct portfolios after evaluating the health of the market and then screen and rank companies based on their financial and management prowess. We also believe the conventional practice of "*own a little bit of everything,*" to accomplish "*broad diversification*" produces below-average long-term performance as research indicates diversification does not protect portfolios against market loss and it assures portfolios will always own underperforming assets. Likewise, we eschew automatic rebalancing because it systematically forces regular selling of appreciating assets to buy depreciating assets.

ProActive uses flexible not fixed asset allocations to alter risk exposure with market conditions. We do not require clients to agree to a fixed asset allocation as research confirms asset allocation to be the single greatest explanatory factor of investment return. With that great importance and impact on return, we believe the client's Advisor should be responsible for making the asset allocation decisions.

ProActive has formulated "portfolio types" (as described above) which are appropriate portfolio templates targeting Reward-for-Risk client profiles. Clients are encouraged to mix or combine portfolio types to meet their financial objectives because doing so can produce faster and better financial outcomes while controlling risk. Our investment process has a loop-back process built-in which is iterative or repeating. Trigger events monitored in our investment process, both qualitative and quantitative, come to our attention causing us to reassess or reevaluate investment decisions for possible corrective action.

Client portfolios are generally constructed with a concentrated, multi-asset class yet flexible asset allocation design. Some client portfolios employ hedging using short position inverse funds as offsets against downside risk when markets become volatile and uncertain. Generally, we utilize select fixed, equity securities, and cash/money market funds, including but not limited to: government agencies & treasuries and corporate bonds, high yield and sovereign debt, domestic bond funds & exchange traded funds ("ETF"s), stocks, mutual funds, and ETF"s, publicly traded real estate investment trusts ("REIT"s), commodity funds, and master limited oil & gas partnerships that are listed on exchanges or the over-the-counter markets. More aggressive portfolios (GroPlus and AGGroMax) may use leveraged, and/or inverse funds (for example, ETFs designed to appreciate in down markets) and/or options to hedge risk or amplify the potential for higher return. ProActive does not conventionally diversify client portfolios but strives to concentrate them with fewer than 30-35 positions in select holdings representing currently favored asset classes. Smaller asset size accounts have a similar structure though they are typically constructed almost entirely of no-load mutual funds, ETFs, dividend-paying stocks, and individual bonds or bond ETFs. These smaller accounts may average 10 -15 holdings.

Business Risk

ProActive's business activities could be materially adversely affected by political, economic, military and other events, including banking and insurance failures, cyber-security occurrences, electromagnetic pulse events that disrupt communication and data transmission, pandemics, epidemics, and outbreaks of disease such as COVID-19 and its variants, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome ("SARS"), and/or other epidemics, pandemics, outbreaks of disease, viruses, fungal, and/or public health issues. Any of these events may materially adversely affect the global economy, financial markets, and your accounts managed by us. Recurrences (or continued spread) of an outbreak of any kind of communicable disease, or any public lockdown emergency, could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter a recession or depression), which would adversely affect businesses, their financial condition, and the operations of the Adviser and certainly investment returns.

Principal Loss

Should these or other major economic issues, or military actions involving the US or other nations, arise and materially impact the day to day lives of persons, supplies of food or goods, or trade around the globe, the stock, bond and cash markets, their liquidity and price stability could be adversely affected. Though we have and continue to develop cyber security policies designed to thwart virus activity that could attack our computer systems, any such events may temporarily restrict travel and communications, thereby limiting the Adviser's operational capacity and therefore its ability to adequately manage your account(s) successfully as in the past. To the extent we can anticipate such an event and limit or combat its expected consequences, we will do so, but there is no assurance we will be successful either in anticipating or mitigating loss in your account(s) until normalcy returns to our world and the financial markets. During such catastrophic events we can promise only to do our best which may be insufficient and unsatisfactory to us as your Advisor and you as our client.

Investment Risks

Investing in securities involves a risk of loss, including loss of principal, that investors must be prepared to bear and/or wait out through the passage of time for their account value to rebound with continued management. Generally, bonds have interest, inflation, liquidity, and re-payment or credit risk. Stocks are speculative in that dividends and price appreciation are not certain. Inflation lessens purchasing power and liquidity risk can make a security difficult to sell without paying a wider spread between the broker's

Bid and Ask quotation. Bank certificates of deposit rely on the FDIC for insurance and broker dealers rely on the SIPC and private insurance for protection against embezzlement and certain employee originating losses. Each of, and all combinations of the 360Portfolios core portfolio types, carry degrees and kinds of risks, including security selection, diversification, and allocation risks arising from Advisor decisions. ProActive Advisors investment process constantly keeps the risk of loss front of mind, and we strive to combat debilitating loss. Despite this vigilance and our time-tested process, the financial markets may experience a sudden one-day decline or multi-day panic that could require clients to earn an increased percentage return and lose excessive time to rebound. There simply is no guarantee of profit or safeguard against principal loss when investing in securities.

Market Risk

Prices of securities change constantly driven by investors' fear and greed as well as algorithms coded to act on certain market price and volume occurrences and/or security stochastic events. Investors in stocks speculate that the long-term growth and dividend income paid by companies will be superior to what they will earn on a bond or other fixed income investment. While this is generally true, stocks and bonds compete for investor's money based on expected return. Though the stock market historically has averaged a return of approximately 10% annually, when prices get abnormally high following a string of above-average gains it will revert to this average causing significant losses. Because financial market participants react to news and political events throughout the world, the markets have become more interconnected. At times investors or algorithms can trigger excessive selling. While exchange regulations call for "circuit breakers" to stop sudden and sharp price drops, investor panic to get out to avoid further loss can drive prices lower when the market reopens for trading. Additionally and particularly with debt securities there may be counter-party risk where one borrower's inability to pay timely may adversely effect another's ability to pay. Such an event may also spill over into the stock market causing it to decline significatnlty. Investors holding financial assets must accept and be willing to bear the risk of significant price drops of 40% or greater. They should communicate any change in their "risk appetite" to their financial advisor if their tolerance for loss has become less.

Regulatory Risk

Advisory firms are regulated by federal and state security laws the intention of which is to protect the public. Advisors must comply with the laws and regulations though they may conflict with their fiduciary duty. For example, advisors of managed accounts and mutual funds and ETFs must stay 80% invested in the security niche (large, mid, and small company growth or value, emerging markets, financials, real estate, utilities, oil & gas, etc.) they hold themselves out as managing despite their responsibility to work in their client or shareholder's best interest and be more defensive by holding more cash or going into a different sector or market size company to avoid loss. Additionally, while Cash is a well-recognized asset class for defensive purposes, and Inverse funds may provide hedges, different jurisdictional regulatory bodies may have conflicting rules that either handicap the advisor or cause them to comply with a regulation that in their fiduciary and ethical judgment is not in the best interest of their clients' financial outcome. Companies likewise must abide by laws and regulations which affect their costs and profits. Therefore, any change in regulations can cause those regulated to incur greater costs and result in an adverse rippling effect across an industry. While generally the effects of new regulations and changes to existing regulations consider the burden of cost of compliance, small businesses are less able to pay them and may not be able to afford the best technological systems or may not have the in-house technological expertise to make compliance and operations optimally successful.

Liquidity Risk

Liquidity is the ability to readily convert an investment into cash. Liquidity is greater in normal markets and may become reduced in volatile markets when exchanges and market makers widen the bid-ask spreads to sell and buy. A lack of liquidity may also prevent owners of smaller company stocks and less frequently traded securities from getting good execution prices. This general lack of marketability adversely impacts investors by causing them to get a lower price to sell and pay a higher price to purchase less, liquid securities.

Core Portfolio Type Investment Risk

ProActive's strategic asset allocation assumptions and market evaluation which drives our tactical asset allocation decisions may be incorrect or latent resulting in underperformance relative to other investment allocations. Yet there is a trade-off of risk and return and losses require increasing gains the greater the amount lost so investors may be better off focusing on their needed return than upon a comparison of how a 100% stock index is performing.

Tactical Allocation Risk

Tactical Risk is the failure of over- or under-weighting an asset class causing performance to be suboptimal. It is an asset allocation error that lessens return that could have been. ProActive does not require clients commit to a Fixed Asset Allocation. We understand the importance asset allocation decisions have on performance and therefore asset allocation decisions are a part of our supervisory account management. These allocation decisions are based on our investment management process which begins with an evaluation of the health of the market, looks at money flows offering the best expected returns, and sets asset allocations based on those reward-for-risk judgements. This process is not a trading or timing approach but one based on compounding and risk management, so we generally do not stay invested when market risk becomes elevated. We attempt to use empirical market data to raise and lower risk exposure dynamically with changes in the financial markets. Making these changes can result in tactical asset allocation error or accuracy and lessened or greater return.

ETF & Mutual Fund Risks

ETFs are baskets of securities, typically stocks, bonds, or a mix of both. They are investments whose shares are bought and sold on security exchanges and may be traded during the day when the market is open. Mutual funds are only traded at the end of the day. This may prevent an Advisor from receiving best execution on the day particularly in a down market. Most ETFs and mutual fund hold a portfolio of securities designed to track a particular sector, index, or equity strategy. Most, but not all, are long funds meaning they are formulated to capture price appreciation of the securities they hold as they rise in price. Other ETFs are Inverse Funds formulated to appreciate when market prices or the index they track declines in price. Index funds, and especially Inverse funds, can have tracking error meaning they do not closely track their index or sector, so they perform with too large a divergence in price. Some ETFs additionally use leverage to amplify the expected price appreciation of the market index or sector they are intended to track. **Leverage can both amplify the tracking error and cause significant adverse losses**. **ProActive may use inverse fund and leveraged inverse fund to hedge against market downside risk. We view their use in a portfolio much like an insurance premium that may be lost if a potentially likely event does not**

happen. The premium is lost. When selecting leveraged ETFs for this purpose we watch how they trade in advance of making a purchase and analyze their liquidity to judge whether they will serve our purpose. Generally, we cannot definitively predict that these ETFs, especially the leveraged ones, will not have an adverse liquidity fault in a sharply declining market, but the issuers of the ETF securities we select typically have the expertise and systems to formulate and construct such mirrored indices focused on upside gains that have performed in line with their index so that we have no reason to expect their inverse funds to be less reliable. There is of course no guarantee or assurance this is the case as many of these ETFs and inverse mutual funds have less than 20 years of market history.

ProActive Advisors' management developed its methodology for investment management based on studying the markets from the trenches over more than 35 years. Our process is based on sound principles of finance and empirical facts about the markets and investing. We also stay apprised of economic research on best practices of investment management and formulate how we invest and allocate capital based on cumulative knowledge and experience. We have devised computer-aided algorithms to help us assess the health of the market unemotionally and utilize software with state-of-the-art financial indicators to alert us to market risk. While there is no guarantee of gain or profit and certainly no absolute protection against loss, we have confidence our 360Portfoios methodology will produce good long term returns and aide us in avoiding debilitating loss by combatting market risk through the use of flexible asset allocation policies.

Item 9 Disciplinary Information

ProActive, has not been involved in any legal or disciplinary events that are material to a client's or a prospective client's evaluation of its Advisory business nor does ProActive have any legal, civil, or disciplinary events to disclose regarding the firm, nor has the firm received any client complaints, regulatory actions, lawsuits, or claims. Twenty years ago Mr. York and his former broker dealer did conclude an administrative complaint with the Kentucky Department of Financial Institutions and with the National Association of Security Dealers (now FINRA) in a matter concerning his affiliated firm's account purchase contract. Though not material in nature and beyond the term to disclose it, you can find the details about the outcome of this matter in our Brochure Supplement available without charge upon request, at the bottom of the page on our website, or by emailing us at info@proactiveadvisors.com.

Item 10 Other Financial Industry Activities and Affiliations

Associated persons of ProActive and IARs may hold insurance licenses and are permitted to offer and be compensated on term, whole life, and fixed annuities, including fee-based variable annuities, and are not permitted to sell "load" or commission-based variable annuity products to clients. This may present a conflict of interest for the IAR as it could provide incentive to recommend these products to clients based on the compensation received rather than the needs of the client. To address the concern that client needs rather than additional compensation is the motive for making the recommendation, ProActive's compliance department or senior management will evaluate the suitability and cost benefit potential value to confirm client need. Clients concerned are advised they may also purchase needed insurance through unaffiliated third-party agents.

Item 11 Code of Ethics, Participation or interest in Client Transactions & Personal Trading

ProActive, its employees, and staff may at times buy or sell securities that are also owned by clients. This is permitted when their transactions are part of the firm's purchase/sell rotation of securities and they are utilizing the 360Portfolio type models. Trades are also permitted in securities that are deemed to be liquid because they trade on exchanges, the Nasdaq market or have market caps over 200 million dollars. That said, ProActive employees are prohibited from trading in securities ahead of clients where they may be disadvantaged because of liquidity or volume affecting prices. Our compliance department periodically reviews access person's (those who work with and have knowledge of our investment positions) personal account statements. Personal account statement reviews strive to ensure that personal trading is not based on inside information, and that clients of ProActive receive preferential treatment.

All employees and staff of ProActive have committed to adhering to a code of ethics. ProActive's Code of Ethics sets forth high ethical standards of business conduct. Key points include but are not limited to putting client's interest first, objectivity, suitability, fairness, honesty and integrity, compliance, full disclosure and professionalism. A breach of our code of ethics is considered a serious violation and subject to a disciplinary action including but not limited to a fine, suspension, or dismissal from the firm as the event may warrant. While these measures may not stop or prevent front-running on trades, it serves as sober deterrent. We will provide you with a copy of our code of ethics upon request by calling 1 (859) 263-1117, extension 221.

Item 12 Brokerage Practices

Recommendations of custodians and broker dealers for clients by the Advisor are made based upon reputation, quality of service, financial responsibility, brand recognition, technology platforms, costs, and best execution among other things. ProActive is not affiliated with any product sponsor firms, nor do we receive payments for directed business, no soft-dollar payments nor any 12b-1 fees or commissions on security transactions. ProActive IARs may make block trades of securities for client accounts. In practice this is done by calling the trade desk of a broker dealer while faxing or emailing a spreadsheet of the shares in the security each account will purchase or sell. The trade desk will place the order in bulk, sometimes at a limit price, and then journal the designated amounts at the block's average price per share to each client account. The benefit of a block trade is that it can be worked over the day with less probability of affecting the share price of stocks that are less liquid or would move significantly in price with a volume purchase all at one time, however most broker dealers will enter the trade in a block. ProActive does not direct that its block orders be executed at any particular exchange or over-the-counter market nor place requirements on the broker dealer other than their duty to get us the best execution price on our orders. We watch the Bid-Ask prices at which the security trades while being worked to identify any abnormal deviations in the securities normal trading pattern. If we find any concerning price movement, we will call the broker to discuss it and may cancel the remaining order should we decide we can work the order ourselves and gain price advantage by making the transactions over several days. At other times we work the block trade ourselves. ProActive determines whether or not a block trade is preferable by watching Bid-Ask spreads. We generally, only invest in stocks of companies with market caps above $200 million whose prices are above five dollars per share. In volatile markets small cap companies can have wide price spreads and affecting transactions during such times can result is paying a higher price or getting lower proceeds. We consider such stock price idiosyncrasies when managing client accounts and weight the reward-for-risk merits of owning such companies as part of our risk management process. There are of course, no promises we will make a profit for clients with either using a block trade format or making individual account purchases. It is simply ProActive's judgment call.

Item 13 Review of Accounts

Portfolio models are monitored regularly, and accounts held by clients are reviewed based on various trigger events and account performance. These reviews consist primarily of price and performance reviews. We do period, side by side security price comparisons and well as side-by-side, periodic account value comparisons seeking to cull under-performing holdings and to address underperformance of accounts.

ProActive provides one on one account reviews for clients based on their stated frequency of need and as otherwise requested. At these reviews we provide written reports typically consisting of investment commentary, period performance reporting, account positions, and unrealized gains/loss reports, though year-end reports typically have realized gain/loss reporting. The purpose of these reviews is to demonstrate the cost benefit of ProActive's professional management versus not having their accounts managed. This is accomplished by illustrating our performance for the period under review against benchmark market indices. Performance shown is done utilizing third-party software that calculates the time weight rate of return (TWRR) for the period accounting for contributions and withdrawals, including management fees, trade costs and custodial charges. The TWRR reflects the compound rate of growth over a specific period and is designed to measure account performance without the distorting effects of cash flows into and out of the portfolio.

Item 14 Client Referrals and Other Compensation

ProActive receives referrals from current clients, certified public accounting firms, estate planning attorneys, employees, personal friends of employees or staff and other sources. Most of these referrals are made without compensation, however, ProActive may at its sole discretion, pay referral fees for introducing prospective clients. If a referral compensation arrangement exists, it is pursuant to a written solicitation agreement and prospective clients are made aware of the fact the person or firm is paid a referral fee, the amount of the fee, as well as whether their fee will be increased to compensate those making referrals to us. As a matter of practice, we do not increase client fees to pay anyone for referrals.

Item 15 Custody of Your Accounts

All ProActive accounts use qualified, third-party custodians (primarily banks and broker dealers or insurance companies) to hold and safe keep their assets. These custodians provide account statements and confirms directly to you. ProActive does not provide account statements to you. Our account performance review reports are generated by approved, third-party software providers who receive data feeds from your custodian(s) to make them available to us. Clients should carefully review those statements. Some states deem ProActive's reliance on statements by third-party custodians in lieu of sending individual invoices with details of the formula, amount and period used in calculating advisory fees as having custody. Additionally, some jurisdictions view ProActive's possessing and using client User IDs and passwords to access investment accounts and place trades, as well as not creating and maintaining a separate log to record dates that checks are received and forwarded, as instances of having custody. Our Form ADV discloses the number of clients and assets managed in this manner.

Item 16 Investment Discretion to Make Trades

ProActive accepts authority to manage accounts on behalf of clients both with and without supervisory authority. This supervisory authority is primarily for us to exercise our discretion to determine *when, what* and the *amount* of securities to buy and sell for accounts we supervise for you. However, ProActive also uses supervisory authority and discretion to make diversification and asset allocation decisions about your portfolio. This authority is exercised pursuant to our investment advisory agreement. Clients may place restrictions on our discretion, may direct us not to purchase certain securities of companies they deem to be in conflict with their moral preferences or beliefs, and may direct us to review for purchase a company they find desirable and want to own in which case the client can make the final decision on purchasing it or not. ProActive also provides business consulting services and advice not using discretion leaving the final implementation decisions to clients.

Item 17 Voting Client Securities

ProActive does not vote proxies for securities as part of its discretionary authority. We do not do so because we believe regulatory recordkeeping requirements to keep journals and explanations of why we voted one way or another are too onerous and burdensome and potentially open the firm to liability and complaint which we think it is in the best interest of clients to avoid.

Item 18 Financial Information

ProActive does not have any financial condition that might prevent it from meeting its commitments to clients. We provide financial statements to regulatory authorities and calculate our net worth at least monthly. We do not require prepayment of fees in excess of $1,200 per client, nor more than six months in advance.

Item 19 Requirements for State-Registered Advisors

Lawrence S. York ProActive's Managing Director and Chief Investment Officer is responsible for setting investment policy and guiding all investment decisions. Mr. York has over 30 years' financial planning and money management experience. He began his career with Dean Witter Reynolds and was recruited by E F Hutton and JC Bradford several years apart to work building each firm's local select money managers programs. Later in 1992 after going independent with LPL Financial, Mr. York and his partner acquired a broker dealer in which Mr. York served as its President and Financial Principal for eleven years. Mr. York earned his Bachelor of Arts at Berea College (Political Science) and his master's in business administration from the University of Kentucky's Gatton School of Business & Economics. Mr. York is a recognized Morningstar Five Star Fund Manager in specialty technologies. Morningstar Associates is a leading independent fund manager rating company and provider of portfolio management software.

Mr. York provides financial advice and business consulting services to seven limited liability companies in which he has an equity interest or owns them outright. Four of the companies own real estate and Mr. York's duties take approximately two hours of his time a month for each company most of which is performed after-market hours. Resurrection Treatment Clinics is a substance abuse treatment clinic formed in September 2015 located at 1718-1736 Alexandria Drive in Lexington, KY. Resurrection is managed by Mr. York's physician partner. Mr. York and ProActive Partners, LLC, 100% owned by Mr. York, previously received compensation for providing financial management services to Resurrection but no longer does and Mr. York is negotiating to sell his entire interests in Resurrection to the managing partner. The second investment related company is 2101, LLC located at 2101 Lexington Road in Versailles KY. 2101 owns 67 acres of commercial property for development. Mr. York provides financial advice to 2101 under a business consulting advisory agreement with ProActive Advisors. Additional details about Mr. York's other business activities in these companies, including the nature of these businesses, their start dates, the relationship to the Advisor, the time involved, and whether the business are investment-related or not are detailed in a supplement to this Firm Brochure available at no cost and by request by calling ProActive Advisors at 859-263-1117 or emailing us at info@proactiveadvisors.com.

Craig Bouvin is ProActive's Compliance and Operations Officer. He is responsible for implementing policies designed by Lawrence York to reasonably ensure the firm adheres to government laws & regulations. In this capacity Craig monitors that the firm's policies and procedures are being followed reviewing accounting, cyber security, operations, and marketing practices for compliance with our policies & procedures helping the firm avoid compliance violations as well as making sure our Code of Ethics is followed. Craig attended the University of Kentucky where he studied computer science and accounting.

Kristie Medley is ProActive's marketing manager who plans and manages marketing to raise awareness and generate interest in the firm's advisory services. Her duties include overseeing copy, print, production, advertising, and social media. Kristie holds an undergraduate Business degree from Marshall University and an MBA from Eastern Kentucky University. Before joining ProActive Kristie worked providing accounting, marketing, and operational support for Lexington area small businesses.

John L. York is an Investment Advisor Representative with ProActive Advisors and the son of Lawrence York the founder. He joined the firm in 2019 after two years of internship. John is a graduate of the University of Kentucky where he studied Business and Political science. John's duties at ProActive are stock and bond research, portfolio performance monitoring, and client development.

Additional information about Lawrence and John Yorks' backgrounds, education, investment experience, & regulatory history is available in their individual Form ADV 2B Supplemental Brochures available at the bottom of the page of our website or by calling us at 859-263-1117.

ITEM 20 PRIVACY OF YOUR FINANCIAL INFORMATION

ProActive Advisors, LLC is committed to maintaining the privacy, confidentiality, and security of personal information that is entrusted to us. The personal information you provide is needed to advise, plan, and devise investment programs to meet your financial goals. We require strict confidentiality by all ProActive personnel and associated persons of our firm. We provide your personal information to banks, broker dealers and other qualified custodians to open your account(s), service and manage them.

With your consent, or at your specific direction, we disclose "*need to know*" information to attorneys, accountants, and credit lenders with whom you either have established relationships or are starting relationships. We share information with your spouse about your individual account only with your consent. You may limit or stop our sharing information with anyone, including spouses, by notifying us by telephone, mail, email, or fax at any time.

We do not provide personal client information to mailing list vendors or solicitors. We routinely have clients execute "*Objecting Disclosure*" forms when opening accounts to limit custodian disclosures and use of your personal information. Federal and state securities regulators may review your account information during our audits and security laws require us to maintain personally identifiable information after you close your account for a required period of time after which it is shredded and recycled.

We consider changes to our Privacy Policy as material changes in how we do business and will notify you in advance should we decide to change our Privacy Policy to permit third-party access or use of it. Our Privacy Policy is being sent to you to comply with regulatory policies. Typically, we will send our Privacy Policy and Material Change notices to you by US mail, email, or have them printed on your April account statement from your custodian.