

# Trustee Empowerment & Protection, Inc Client Relationship Summary (“CRS”)

Trust Empowerment & Protection, Inc. (“TEPI”) is registered with the Securities Exchange Commission (“SEC”) as an internet investment adviser. Our services and compensation structure differs from that of a registered broker-dealer. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS). The site also provides educational materials about broker/dealers, investment advisers, and investing.

## What Investment Services and Advice Can You Provide?

TEPI is an internet investment advisor, focused on and engaged in assisting sponsors and trustees of defined contribution retirement plans (e.g., 401k, 403b, and other such plans) in finding other registered investment advisers (RIAs) and investment advisory representatives (IARs) that are licensed and approved to perform protective reviews of the investment options within such plans, using the “Investment Choice Protective Review™” (“iCPR™”) process co-developed with and utilizing Decision Technologies Corporation’s (DTC’s) patented decision-assistance technology and its ProRRT application. Under the limited exceptions available to SEC registered internet investment advisors, TEPI may directly provide this and other investment advisory services to retirement and benefit plans and trustees, and other investment advisory services to 1940 Act companies, public plans, Taft-Hartley plans, Health & Welfare plans, and/or to family offices, as a primary investment consultant or as a reviewing consultant. These direct investment advisory services will typically focus on the use DTC’s patented decision-assistance technology to help optimize and objectify investment selection and ongoing performance monitoring in a completely transparent and empowering way that effectively filters out all conflicts of interest, both known and unknowable, in the investment selection process.

### Conversation Starters:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

## What Are Your Fees?

In its internet investment advisory role, TEPI is compensated through referral fee arrangements with third-party investment advisors. We do not have a minimum account size, nor do we charge you a fee, to use our TEPI.tech platform or our referral services. We are only compensated if you engage a third-party investment advisor that has contracted us to share in the revenue generated by your relationship with that investment advisor. However, you may incur certain fees or charges imposed by the third-party investment advisors to which we refer you. Clients will typically have an iCPR™ performed only once per year. Consequently, the advisory fees charged by their third-party advisors for performing that service are typically calculated based upon incremental rates that are charged to each tier of plan assets, and applied to all assets within the client’s plan being advised. TEPI does not control or set these rates or other advisory fees. They are set by each investment advisor and may not be the same as other TEPI-approved advisors to which you may be referred. You are free to negotiate rates and fees with any advisor to which you are referred by TEPI. You will pay fees and costs for the iCPR™ whether or not your plan’s investment performance improves as a result.

For the limited direct investment advisory services that we may elect to provide, TEPI may, in its sole discretion charge a flat fee, an hourly fee, or a percentage fee based upon the amount of investment assets covered by TEPI’s advisory services agreement (Asset-Based Advisory Fee). The calculation of the Asset-Based Advisory Fee is based upon the total ending balance of the client investment accounts for which investment advisory services are being provided. It will be computed at the end of each quarter. The advisory fees can be negotiated, discounted, and/or in some circumstances waived, at the sole discretion of TEPI.

For more detailed information on the referral fees we charge to the TEPI-approved investment advisors to which we refer clients, in our role as an internet investment adviser, and the fees we charge for direct investment advisory services, please see Item 5 – Fees and Compensation in our Form ADV Part 2A available at our TEPI.tech website.

### Conversation Starters:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

Note: While TEPI does not have a minimum account size for use of its TEPI.tech platform, many (if not most) of the TEPI-approved investment advisors to which TEPI refers its clients may have such minimums. It is important for you to inquire about such minimums and associated fees before engaging their services.

#### Conversation Starters:

- How might your conflicts of interest affect me, and how will you address them?

### What Are Your Legal Obligations When Acting as an Investment Adviser? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?

When we act as your investment adviser, we have to act in our clients' best interests and not put our interests ahead of yours. Nevertheless, our referral fee compensation creates some potential conflicts with your interests. Here is an example to help you understand what this means. While you do not pay a fee to use our platform, we are compensated by the third-party investment advisors to which we refer you. The third-party investment advisors pay us different levels of fees based upon the fee arrangement stipulated in your agreement with them. This creates a potential conflict of interest for us as we have an incentive to refer you to third-party investment advisors that pay us higher levels of fees. Our direct investment advisory services involve no such potential conflicts.

### How Do Your Financial Professionals Make Money?

Our financial professionals are salaried may receive additional incentive compensation based on individual goals set by TEPI's Management. However, none of our professionals receive compensation directly tied to revenue generation from referral of Clients to TEPI-approved investment advisors. In addition, regarding any direct investment advisory services, TEPI employed and affiliated investment professions, directly involved in rendering such services, may receive a percentage share of resulting Client fees. Some of our financial professionals may be equity owners of the firm that owns TEPI and may receive a share of that firm's profits. Collectively, this structure presents potential conflicts of interest because it can incentivize us to recommend that you place additional assets under our management. We mitigate that conflict by adhering to our fiduciary duty when making investment recommendations, so that we only make recommendations in conformity with each client's investment objectives and strategy. You should discuss advisor's compensation directly with him or her.

### Do You or Your Financial Professionals Have Legal or Disciplinary History?

TEPI has one disclosure of a currently unresolved and sharply disputed FINRA action. In 2017 FINRA Department of Enforcement ("DOE") commenced a disciplinary proceeding against CSSC Brokerage Services, Inc. ("CSSC-BD") and Eric S. Smith. The complaint alleged violations of the anti-fraud provisions of the Federal securities laws and FINRA registration rules. Specifically, DOE claimed that, during August – November 2015, four individuals loaned \$130,000 to Consulting Services Support Corporation ("CSSC") based upon memoranda drafted by Mr. Smith that allegedly omitted material information and included alleged misrepresentations regarding future potential revenue for CSSC. DOE also alleged that Mr. Smith should have registered with FINRA as a principal and representative of CSSC-BD, even though Mr. Smith was not an officer, director, or employee, or otherwise active in the security brokerage business of CSSC-BD.

#### **The claims made by the DOE are disputed, and we believe that Mr. Smith did not violate any FINRA or SEC Rules.**

Nevertheless, on January 2, 2019, a FINRA hearing panel issued an initial decision against Mr. Smith on all counts. Mr. Smith appealed that decision to the National Adjudicatory Council of FINRA ("NAC"). The appeal contended that DOE failed to prove that Mr. Smith had made any material misrepresentations or omitted any material facts in any documents received by the four persons who made loans to CSSC. For example, none of the four have ever claimed that they were misled when making such loans. The appeal also contended that Mr. Smith was not required to obtain any license from FINRA and that, not being a member of FINRA nor having otherwise consented to its jurisdiction, FINRA had no legal authority to bring any action of any kind against him. On September 18th, 2020, the NAC issued a decision affirming the hearing panel's decision, including its recommendation that Mr. Smith be barred from associating with any FINRA member firm. The bar became effective on the date of the NAC decision.

An application for review of FINRA's decision and action against Mr. Smith was filed with the U.S. Securities & Exchange Commission (SEC). In his application for SEC review, Mr. Smith points out that FINRA is a private, member-owned corporation, not a governmental entity. As such, it has jurisdiction only over those who become members and those who have affirmatively consented to its jurisdiction by becoming licensed with it. Mr. Smith did neither. In this SEC review, Mr. Smith asserts that, not being a member of FINRA nor having otherwise consented to its jurisdiction, FINRA had no legal authority to bring any action of any kind against him. He also asserts that FINRA also failed to prove that he had made any material misrepresentations or omitted any material facts in connection with the loans. Mr. Smith is requesting that the SEC set aside the FINRA action and that it be dismissed in its entirety. The SEC's review is still pending.

**TEPI is not a FINRA member firm. TEPI was not involved in the loan transactions and was not named or involved in the in the FINRA proceeding. There are no other disciplinary proceedings to report.**

### Where Can I Get Additional Information?

Additional information about our firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may contact our Chief Compliance Officer at any time to request a current copy of our Form ADV Part 2A or our relationship summary, both of which you can view on our [TEPI.tech](http://www.TEPI.tech) website. Our Chief Compliance Officer may also be reached by phone at (248) 797-0500.

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