Privaire Networks: Compliance Summary for Advisory Firms

November 3, 2026 · Shoutback Concepts, LLC

A Privaire network is a private group of about ten local professionals, one per category, hosted by your advisor. No one in it is paid for referrals, and the firm reviews every page that names the advisor before it goes out. This summary is for your Chief Compliance Officer.

What the arrangement is

- **The advisor hosts the network.** Your advisor invites roughly ten non-competing professionals: a CPA, an estate attorney, a P&C insurance agent, a business banker, and so on. One business per category.
- **Partners and clients join free.** Partners join as the firm's guests. They pay nothing to Shoutback, the firm or each other, and no one is paid to refer. Because the firm's fee pays for the network, each partner's free seat is something of value that comes through the firm. See Compensation below.
- **Introductions are asked for, not pushed.** Each member keeps a short "trusted list" page and texts it to their own clients. A client who wants an introduction taps a button and agrees, in a consent box, to their name and number being passed on.
- **The platform is private.** Each network is walled off. Members see only their own network.
- **The firm pays Shoutback Concepts, LLC** a flat fee ($495 a month, or $4,950 a year paid up front, after a 60-day setup period at no charge) to build and run the network. It is the only fee anyone pays. The fee does not vary with referrals, introductions, assets or accounts opened.

What does and does not change hands

	Yes or no	Notes
Cash for referrals	No	No member pays or receives money for an introduction
Revenue or fee sharing	No	No split of advisory fees, commissions or AUM
Gifts, prizes or discounts tied to referrals	No	Recognition tiers (Member, Advocate, Ambassador) are titles only
Reciprocal introductions	Yes	Members send each other clients. Treat this as possible non-cash compensation unless counsel decides otherwise
Firm pays Shoutback	Yes	Flat fee for building and running the network, including the partners' free seats. Shoutback does not solicit advisory clients for the firm

Joint events	Yes	Co-hosted client education events. Costs split by written agreement, not by referrals

SEC Marketing Rule (Rule 206(4)-1)

When a partner's trusted list recommends your advisor, that is an endorsement, and the firm should handle it as one. We build every page to make that easy.

- **Endorsements by partners.** A CPA or attorney who praises your advisor to their own clients is a non-client endorser under the rule (Kitces).
- **Compensation.** No cash changes hands. Two things may still count as non-cash compensation from the firm to a partner: the reciprocal introductions, and the partner's free seat, which the firm's fee pays for. We recommend treating both as non-cash compensation and disclosing them. Two design choices limit the exposure: the seat is not tied to referring the advisor (no quota, no minimum, and a partner may refer no one without losing the seat), and the partner agreement states the seat's value as the firm's monthly fee divided by the ten designed seats, $49.50 a month or $594 a year.
- **Disclosures on every listing of your advisor.** Each trusted list that names your advisor carries a clear and prominent line: the endorser is not a client, receives no cash, and has a reciprocal referral relationship with the firm and a network seat the firm pays for (a material conflict). Wording is the firm's to approve.
- **Written agreement and the $1,000 threshold.** The rule requires a written promoter agreement above $1,000 of compensation in 12 months, measured cumulatively, not per payment (SEC Risk Alert, Dec 2025, via McGuireWoods). No cash is paid. At the stated value of $594 a year, the seat sits under the $1,000 de minimis amount, though the firm's counsel should confirm the valuation and whether reciprocal introductions count toward it. We provide a short written partner agreement for every partner, describing scope, the free seat and the absence of any payment.
- **Disqualified persons.** The firm may not compensate a promoter who is an ineligible person. We give the firm each partner's name before they are listed, so it can run its usual checks.
- **The firm's own pages.** The advisor's own invitation page, trusted list and event pages are firm communications. The CCO approves each one before it goes live.

Other rules to check

- **Dual registrants.** If the advisor is also a registered rep, the invitation page, trusted list and event invitations are likely retail communications under FINRA Rule 2210 and need principal approval before use.
- **State-registered advisers.** State rules on solicitors and endorsements vary. The CCO should check the firm's state before launch.
- **Client privacy (Regulation S-P).** The advisor never sends a client list to the network. A client's details pass to a partner only when the client asks for the introduction and ticks the consent box, which keeps sharing at the client's direction (background). The firm should confirm this fits its privacy notice.

- **Partners' own rules.** Attorneys and CPAs have their own limits on referral arrangements. Partners are responsible for their own compliance; we flag the known ones when we invite them.

Recordkeeping

Every introduction is logged when it is made, and the firm gets a copy each month.

Record	What it holds	How the firm gets it
Introduction log	Date, whose list it came from, who was asked for, the client's details and consent	Monthly CSV export
Trusted list pages	Each version of every page that names the advisor, with its disclosure	PDF copy at approval and at every change
Event pages and RSVPs	Event invitation as published; RSVP list	PDF copy and CSV export
Partner roster	Each partner's name, firm, category and join date	Monthly CSV export
Partner agreements	Signed agreement per partner: scope, free seat and its stated value, seat not tied to referrals, no payment	PDF on signing

Checklist for the CCO

☐ Approve the disclosure wording used on every partner listing of the advisor

☐ Confirm the stated seat value ($594 a year) and how reciprocal introductions are treated as non-cash compensation

☐ Approve the partner agreement template

☐ Run the firm's usual checks on each partner before they are listed

☐ Approve the advisor's invitation page, trusted list and each event page before publication

☐ Confirm the consent-based introduction flow fits the firm's privacy notice

☐ Dual registrants: route pages and invitations for principal approval under FINRA Rule 2210

☐ Set up the monthly export of the introduction log into the firm's books and records

This summary describes how Privaire networks are run. It is not legal or compliance advice. The firm's compliance officer and counsel decide how these rules apply to the firm.

Sources

- Kitces: the SEC Marketing Rule and promoters
- McGuireWoods: SEC Marketing Rule FAQs (Jan 2026) and Risk Alert (Dec 2025)

- Financial Planning: Regulation S-P and sharing clients