

## MORGAN WILSHIRE SECURITIES (FORM CRS)

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### Is a Brokerage Account Right For You?

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. **Morgan Wilshire Securities is a brokerage firm providing brokerage and securities products. We also provide advisory services through our affiliated company First American Asset Advisory.** This document gives you a summary of the types of services we provide at Morgan Wilshire and how you pay us for our services. Please ask us for more information. There are some suggested questions included. Information about Advisory Services can be found on the First American Asset Advisory Form CRS. Free and simple tools are available to research firms and financial professional at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational information.

#### **Relationships and Services.** *What investment services and advice can you provide me?*

- If you open a brokerage account, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy or sell an investment.
- You may select investments, or we may recommend investments for your account, but the ultimate investment decision as to your investment strategy and the purchase or sale of investments will be yours.
- We will deliver account statements to you each quarter in paper or electronically.
- We offer our clients many different investment choices, however other firms could offer a wider range of choices, some of which might have lower costs.

#### **Conversation Starters:**

**Given my financial situation, why should I choose a brokerage account?**

**How will you choose investments to recommend for my account?**

**What is your relevant experience, including your licenses, education, and other qualifications?**

**Please explain what the abbreviations in your licenses are and what they mean.**

#### **Our Obligations to You.** *We must abide by certain laws and regulations in our interactions with you.*

- We must act in your best interest and not place our interests ahead of yours when we recommend an investment or an investment strategy involving securities.
- When we provide any service to you, we must treat you fairly and comply with several specific obligations.
- Unless we agree otherwise, we are not required to monitor your portfolio or investments on an ongoing basis.
- Our interests can conflict with your interests. When we provide recommendations, we must eliminate these conflicts or tell you about them and, in some cases, reduce them.
- The firm strongly recommends that you look at all monthly and quarterly statements as well as all trade confirmations. If there is any part of these documents, you don't understand please contact us immediately at (516) 622-3100.

#### **Conflicts of Interest.** *We benefit from the brokerage services we provide to you.*

- We receive a portion of the interest revenue earned by our clearing firm, RBC Custody & Clearing, on the debit balances in margin accounts and other credit line products. We also receive portion of the revenue RBC earns on client credit balances.
- We can buy investments from you, and sell investments to you, from our own accounts (called "acting as principal"). We can earn a profit on these trades, so we have an incentive to encourage you to trade with us.

#### **Conversation Starters:**

**What are the most common conflicts of interest in your brokerage accounts?**

**Explain how you will address those conflicts when providing services to my account.**

#### **Fees and Costs.** *What fees will I pay? Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.*

- The fee you pay is based on the specific transaction and not the value of your account.
- With stocks, exchange-traded funds or bonds, you may pay a dollar-based commission, or this fee might be part of the price you pay for the investment (called a "mark-up" or "mark down").
- With mutual funds, this fee (typically called a "load") reduces the value of your investment.
- Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as "surrender charges" to sell the investment.
- Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us.

- We charge you additional fees, such as custodian fees, account maintenance fees, and account inactivity fees, annual fees. (Please find an updated versions of all non-transactional fees on the firms website ([WWW.MORGANWILSHIRE.COM](http://WWW.MORGANWILSHIRE.COM)))
- The more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions

**Conversation Starters:**

**Do the math for me. How much would I pay per year for a brokerage account?**

**What would make those fees more or less? What services will I receive for those fees?**

**What additional costs should I expect in connection with my account?**

**Tell me how you and your firm make money in connection with my account.**

**Do you or your firm receive any payments from anyone besides me in connection with my investments?**

**Compare with Typical Brokerage Accounts.**

You could also open an advisory account with an investment adviser, where you will pay an ongoing asset-based fee that is based on the value of the cash and investments in your advisory account. Features of a typical advisory account include:

- Advisers provide advice on a regular basis. They discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account.
- You can choose an account that allows the adviser to buy and sell investments in your account without asking you in advance (a “discretionary account”) or the adviser may give you advice and you decide what investments to buy and sell (a “non-discretionary account”).
- Advisers are held to a fiduciary standard that covers the entire investment advisory relationship. For example, advisers are required to monitor your portfolio, investment strategy and investments on an ongoing basis.
- If you were to pay an asset-based fee in an advisory account, you would pay the fee periodically even if you do not buy or sell. You may also choose to work with an investment adviser who provides investment advice for an hourly fee or provides a financial plan for a one-time fee.
- For an adviser that charges an asset-based fee, the more assets you have in an advisory account, including cash, the more you will pay the adviser. So, the adviser has an incentive to increase the assets in your account in order to increase its fees.
- You can receive advice in either type of account, but you may prefer paying: an asset-based fee if you want a transaction-based fee from a cost continuing advice or want someone perspective, if you do not trade often or to make investment decisions for you, if you plan to buy and hold investments even though it may cost more than a for longer periods of time. transaction-based fee.

**Conversation Starters:**

**Who is the primary contact person for my account? What can you tell me about his or her legal obligations to me?**

**If I have concerns about how this person is treating me, who can I talk to?**

**Additional Information.** *We encourage you to seek additional information*

- We have legal and disciplinary events to disclose.
- For more information, please visit [Investor.gov](http://Investor.gov) for a free and simple search tool to research our firm and our financial professionals, Broker Check ([BrokerCheck.Finra.org](http://BrokerCheck.Finra.org)), our web site ([www.Morganwilshire.com](http://www.Morganwilshire.com)), and your account agreement.
- To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC’s toll-free investor assistance line at (800) 732-0330. If you have a problem with your investments, account or financial professional, contact us in writing at 59 Hilton Ave, Garden City N.Y 11530 (516) 622-3100.

***A transaction-based fee*** from a cost perspective, if you do not trade often or if you plan to buy and hold investments for longer periods of time.

***An asset-based fee*** if you want continuing advice or want someone to make investment decisions for you, even though it may cost more than a transaction-based fee.

**Conversation Starters:**

**Do you or your firm have a disciplinary history? For what type of conduct?**