



## 1. INTRODUCTION

Gar Wood Securities, LLC is registered with the Securities & Exchange Commission as a broker-dealer that provides brokerage accounts and services. We are also a member of the Financial Industry Regulatory Authority, Inc. (FINRA), National Futures Association (NFA), Securities Investor Protection Corporation (SIPC) and a registered broker-dealer with various state jurisdictions. Brokerage and investment advisory services and fees differ; it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at: [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers, and investing.

## 2. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

- The brokerage services we provide include buying and selling securities and recommending investments to retail investors. As a broker-dealer, we offer you the ability to open a brokerage account with us through which you can purchase and sell stocks, bonds, mutual funds, listed equity and index options and exchange traded funds.
- Our firm does not utilize investment discretion over any transaction in your account. You will solely determine each transaction within your brokerage account.
- We may provide recommendations to you concerning the purchase or sale of securities in your brokerage account
- We do not have any minimum account size, minimum investment amounts or such similar requirements. However, our independent contractor registered representatives may choose to do so.
- We offer a limited number of products. Other firms could have a wider variety of products some of which might have lower costs.
- We do not monitor your portfolio or investments on an ongoing basis unless agreed to in advance.

### Questions to ask:

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

## 3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

### 3A. What Fees Will I Pay?

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

- The fee you pay is based on the specific transaction and not on the value of your account.
- With stocks or exchange-traded funds, the fee is usually a separate commission. With other investments, such as bonds, this fee may be part of the price you pay for the investment (called a mark-up or mark-down). With mutual funds, a fee typically called a load reduces the value of your investment. Mutual funds also charge annual management fees which vary depending on the fund.
- We may charge you additional fees such as custodian fees, account maintenance fees and account inactivity fees. These fees may be waived under certain conditions.
- Our fees vary and are negotiable. The amount you pay will depend on how much you buy or sell, the type of investment involved and what kind of account you maintain with us.
- The more transactions in your account, the more fees we will charge you. We therefore have an incentive to encourage you to engage in transactions.

### Questions to ask:

*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?*



## Client Relationship Summary

June 9<sup>th</sup>, 2020

### 3B. What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are a couple examples to help you understand what this means.

- In certain circumstances, we can reduce our clearing costs based upon our overall monthly share volume. This means larger share orders or more frequent orders you transact through our firm will contribute to our overall clearing expenses being reduced and allow us to keep a greater percentage of the revenue your account generates
- We can make extra money by selling you certain investments because they are offered by companies that pay our firm to sell their investments. Your financial professional also receives more money if you buy these investments.

#### **Questions to ask:**

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

### 3C. How do your financial professionals make money?

- Gar Wood's financial professionals are compensated based upon a percentage of the net revenue generated from the sales of products and services to clients.
- The actual percentage paid to our financial professionals can vary by product and/or the overall volume of business transacted on a monthly basis.

### 4. DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

- We have disciplinary events. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.
- For additional information about our brokers and services, you may visit BrokerCheck by FINRA at <https://brokercheck.finra.org/>
- To report a problem to the SEC, visit [www.investor.gov](http://www.investor.gov) or call the SEC's toll-free investor assistance line at (800) 732-0330
- To report a problem to FINRA, contact the FINRA Investor Complaint Center by mail at 9509 Key West Avenue, Rockville, Maryland 20850-3329. Phone: (240) 386-4387 Fax: (866) 397-3290 Website: [www.finra.org/complaint](http://www.finra.org/complaint)

#### **Questions to ask:**

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

### 5. ADDITIONAL INFORMATION

- You may find additional information about our brokerage services at our website [www.garwoodsecurities.net](http://www.garwoodsecurities.net)
- You may request a copy of the Form CRS Relationship Summary by contacting your investment professional
- You may also call (312) 566-0740 for a copy or to request up-to-date information.

#### **Questions to ask:**

*Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?*