



Woodlands Securities Corporation (WSC), Member FINRA and SIPC
&
Woodlands Asset Management, Inc. (WAMI)

FORM CRS

Customer Relationship Summary

03/23/2021

Which Type of Account is Right for You - Brokerage, Advisory, or Both?

1. INTRODUCTION

Because we offer different services and ways you can get help with your investments, you should understand those differences and carefully consider which type or types of accounts and services are right for you.

A. Depending on your needs and investment objectives, we can provide you with services in a brokerage account through **Woodlands Securities Corporation (a Broker/Dealer)**, an investment advisory account through **Woodlands Asset Management Inc. (an investment advisor)** or perhaps both at the same time. Both companies are registered with the Securities and Exchange Commission. Ask us for more information (see suggested questions in each Section).

B. *Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS and educational materials about broker-dealers, investment advisors, and investing.*

Broker Dealer Services
WSC – Brokerage Accounts

Investment Advisor Services
WAMI - Advisory Accounts

2. RELATIONSHIPS and SERVICES

A. What investment services and advice can you provide me?

B. Description of Services: WSC offers brokerage services which involves buying and selling securities. We will discuss your financial goals and may offer recommendations.

- (i) **Monitoring.** A Brokerage account generally does not include any monitoring of your investments as part of standard services.
- (ii) **Investment Authority.** WSC does not have *discretionary authority*. This means that you may select investments, or we may recommend investments for your account, but the ultimate decision for your investment strategy and the purchase or sale of investments will be yours.
- (iii) **Investment Offerings.** We offer a wide range of investments such as stocks, bonds, mutual funds, and private offerings. However, other firms could offer a different range of investment choices with lower costs.
- (iv) **Account Minimum:** There is no account minimum.

C. Additional Information: We must act in your best interest and not put our interests ahead of yours. We do not hold your account at WSC; it will be held at a custodian. You will receive an account statement directly from the respective custodian at least quarterly in paper format or electronically. You may also receive electronic access to a website to be able to view your statements and other account information.

B. Description of Services: WAMI offers advisory services with ongoing management of your investments and typically involves a model portfolio.

- (i) **Monitoring.** Advice is on a regular basis and includes discussing your investment goals, a strategy to achieve those goals, and regularly monitor your account. We will contact you periodically by phone or email, typically at least annually, to discuss your portfolio. In addition, we hold investment meetings and host conference calls to answer questions.
- (ii) **Investment Authority.** Under WAMI, investment selection is with *discretionary authority*, which means we are allowed to buy and sell investments in your account without asking you in advance.
- (iii) **Investment Offerings.** Our investment advice will cover a selection of investments such as mutual funds, exchange traded funds (ETFs), fixed income products, and variable annuities. Other firms could provide advice on a different range of choices with lower costs.
- (iv) **Account Minimum:** \$50,000 (*may be waived*).

C. Additional Information: We must act in your best interest and not put our interests ahead of yours. We do not hold your account at WAMI; it will be held at a custodian. You will receive an account statement directly from the custodian at least quarterly in paper format or electronically. You may also receive electronic access to a website to be able to view your statements and other account information.

Questions to ask:

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

3. FEES, COSTS, CONFLICTS, STANDARD OF CONDUCT

A. What fees will I pay?

(i) **Principal Fees and Costs.** From a cost perspective, you may prefer a *transaction-based fee account* if you do not trade often or if you plan to buy and hold investments for longer periods of time.

Transaction-based Fees: You will pay us a fee every time you buy or sell an investment. This fee, commonly referred to as a commission, is based on the specific transaction and not the value of your account. The more transactions that occur in your account, the more fees are charged. Therefore, this creates an incentive to encourage you to trade often.

With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, 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.

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.

(ii) **Other Fees and Costs.** 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. Custodians may charge other fees, such as account maintenance fees, inactivity fees, termination fees, etc.

(iii) **Additional Information.** You will pay fees and costs whether you make or lose money on your investments. They will reduce any money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

(i) **Principal Fees and Costs.** You may prefer an *asset-based fee account* if you want continuing advice or want someone to make investment decisions for you, however, it may cost more than a transaction-based fee account.

Asset-based Fees: You will pay an on-going, annual fee charged in advance and based on the value of the cash and investments in your advisory account at each quarter end (and automatically deducted from your account). The amount paid to our firm and your financial professional will vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account. The more assets you have in the advisory account, including cash, the more you will pay us. Therefore this creates an incentive to increase the assets in your account in order to increase our fees.

Our fees vary and are negotiable. You pay our fee quarterly, even if nothing is bought or sold. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. If your account was introduced to us by one our Advisor Agents, they will receive a portion of the annual fee we receive.

(ii) **Other Fees and Costs .** 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. Custodians may charge a transaction fee when we buy or sell an investment for you. In addition, custodians may charge other fees, such as account maintenance fees, inactivity fees, termination fees, etc.

(iii) **Additional Information.** You will pay fees and costs whether you make or lose money on your investments. They will reduce any money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Questions to ask:

1. *Help me understand how these fees and costs might affect my investments. For example, If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?*
2. *What would make those fees more or less? What services will I receive for those fees?*
3. *What additional costs should I expect in connection with my account?*

B. What are your obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

(i) **Standard of Conduct:** *When we provide you with a recommendation, we have to act in your best interest and not place our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests.*

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You should understand and ask us about these conflicts because they can affect the services we provide to you. We must eliminate these conflicts or tell you about them and, in some cases, reduce them.

You should understand and ask us about these conflicts because they can affect the investment advice we provide you. We must eliminate these conflicts or tell you about them in a way you can understand, so that you can decide whether or not to agree to them.

(ii) Here are some examples of our Conflicts of Interest to help you understand what this means:

- *Common Control:* Both WSC and WAMI are owned and controlled by Morris Monroe.
- *Proprietary Product:* Morris Monroe is also part owner of a company that is an issuer of an investment that is sold to investors through WSC (some of those investors may also have WAMI accounts) and he earns extra money from the company.
- *Private Placements:* WSC and Morris Monroe may sponsor private placements (that are sold through WSC) and those investors may also have WAMI accounts. WSC and its Agents earn money by offering these products.
- *Dually Licensed Financial Professionals:* Financial professionals of WAMI are also financial professionals of WSC and earn compensation from both companies.
- *Insurance Products:* All of our financial professionals are insurance licensed and earn extra fees from selling insurance products.
- *Common Investments:* Financial professionals and other related persons of both WSC and WAMI may buy and sell some of the same investments as clients.

Questions to ask:

1. *How will you choose investments for my account; how often will you monitor its performance and offer advice?*
2. *How might your conflicts of interest affect me and how will you address them?*

C. How do your financial professionals make money?

(i) **How do your financial professionals make money?** WSC brokerage account financial professionals are paid a portion of the commissions from the product transactions in your account(s). In addition, they would also receive a portion of any mutual fund service fees (called 12b1 fees) or insurance annuity fees that the firm receives.

(i) **How do your financial professionals make money?** WAMI advisory account financial professionals (also called Solicitor/Agents) are paid a portion of the revenue from the annual management fee the firm receives from your account(s). The greater the value of assets a financial professional refers or services, the more compensation the financial professional will receive.

(ii) **Are there other compensation factors?** No. There are no other factors that financial professionals' compensation is based (i.e. time of service, complexity of products, etc.). Nor are there any sales contests or bonuses. However, any WSC financial professional that is also appointed as a WAMI financial professional earns revenue from WAMI advisory fees.

(ii) **Are there other compensation factors?** No. There are no other factors that financial professionals' compensation is based (i.e. time of service, complexity of products, etc.). Nor are there any sales contests or bonuses. However, any WAMI financial professional that is also appointed as a WSC financial professional earns revenue from WSC commissions.

4. DISCIPLINARY HISTORY

4A. Do you or your financial professionals have legal or disciplinary history?

B. Yes - for the broker-dealer, WSC.

C. No - for the investment advisor, WAMI.

D. Search Tools: Visit www.Investor.gov for a free and simple search tool to research both of our firms and our financial professionals as well as for educational material. For additional information about our brokers and services, visit www.Investor.gov or BrokerCheck (www.BrokerCheck.Finra.org).

Questions to ask:

1. *As a financial professional, do you have any disciplinary history? If so, for what type of conduct?*

5. ADDITIONAL INFORMATION

A. Where can I find additional information?

We encourage you to seek out additional information about us and our financial professions.

1. Your primary contact is your financial professional. Most of our contacts are associated with both firms.
2. You may contact our **Operations Department** at our main telephone number. They can help with account information and service requests.
3. Additional information can be found in your account agreement, [WAMI's Form ADV Brochure](#) (or at www.investor.gov).
4. You can also visit our website, www.woodlandssecurities.com as well as for a copy of our [Relationship Summary](#) from the link on the home page (under our company names at the top) or by calling our phone number to request a free copy.
5. If you have a problem with your investments, account, or financial professional, contact us in writing at **PO Box 7805, The Woodlands TX 77387**, Attn: Compliance.
6. To report a problem to the SEC, visit www.Investor.gov or call the SEC's toll-free investor assistance line at **(800) 732-0330**. To report a problem to FINRA, visit www.finra.org or call their phone number at **(301) 590-6500**.

B. What is your telephone number? You can contact us at **281.367.2483**. You can request up-to-date information and a copy of the Relationship Summary.

Questions to ask:

1. *Who is my primary contact person?*
2. *Is he or she a representative of an investment adviser or a broker-dealer?*
3. *Who can I talk to if I have concerns about how this person is treating me?*