



# CUSTOMER RELATIONSHIP SUMMARY

July 27, 2020

## 1. INTRODUCTION

### MCCLURG CAPITAL OFFERS YOU A CHOICE

Depending on your needs and investment objectives, we can provide you with services in a brokerage account, investment advisory account, or both at the same time. McClurg Capital is registered with the SEC as a broker/dealer and as a registered investment advisor with the state of California. McClurg Capital is also a member of the Financial Industry Regulatory Authority and the Securities Investors Protection Corporation. See our [Account Protection](#) page on our website for further details. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](#), which also provides educational materials about broker-dealers, investment advisers, and investing. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. This document gives you a summary of the types of services we provide and how you pay. You should carefully consider which types of accounts and services are right for you. Below is a side-by-side comparison to help you decide what type of account is right for you.

## 2. RELATIONSHIPS AND SERVICES

### What investment advice and services can you provide me?

We offer both brokerage and investment advisory services to retail investors

#### BROKERAGE ACCOUNT

##### Our BROKERAGE ACCOUNT services include buying and selling securities

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. You make the ultimate decision regarding the purchase or sale of investments.

We can offer you additional services to assist you in developing and executing your investment strategy and measuring the quarterly performance of your account, but you might pay more. We will deliver account statements to you at least quarterly in paper or electronically.

We limit the selection of investment products to those pre-approved by the firm. Other firms may offer a wider range of choices, some of which might have lower costs.

#### INVESTMENT ADVISORY ACCOUNT

##### Our INVESTMENT ADVISORY account services include portfolio construction and allocation

If you open an advisory account, you will pay an on-going asset-based fee for our services. We will offer you bespoke advice on a regular basis. We will discuss your investment goals and design with you a strategy to achieve your investment goals. And we regularly monitor your account. Your management fee includes investment advice, asset allocation, daily portfolio management, quarterly performance measurement and reporting, and CPA ready tax-lot accounting. We will be available to you by phone or e-mail to discuss your portfolio at any time.

You can choose an account that allows us to buy and sell investments in your account without asking you in advance (a "discretionary account") or we may give you advice and you decide what investments to buy and sell (a "non-discretionary account")

Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs.

## 2. RELATIONSHIPS AND SERVICES (cont'd)

### OUR OBLIGATIONS TO YOU

#### BROKERAGE ACCOUNT

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 a number of specific obligations. Unless we agree otherwise, we are not required to monitor your portfolio or investments on an ongoing basis.

- Conversation Starters:**
- ⇒ ***Given my financial situation, why should I choose an advisory account? 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.***

#### INVESTMENT ADVISORY ACCOUNT

We are held to a fiduciary standard that covers our entire investment advisory relationship with you (see Our Fiduciary Pledge online). We are required to monitor your portfolio, investment strategy and investments on an ongoing basis. Our interests can conflict with your interests. 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.

## 3. SUMMARY OF FEES, COST, CONFLICTS, AND STANDARDS OF CONDUCT

#### BROKERAGE ACCOUNT

***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.

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 or “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 on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us.

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.

We charge you additional sundry fees, such as custodian fees, account maintenance fees, and account inactivity fees.

The more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.

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

#### INVESTMENT ADVISORY ACCOUNT

***Asset-based fees.*** You will pay an on-going fee at the end of each quarter based on the value of the cash and investments in your advisory account.

The amount paid to our firm and your financial professional generally does not 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.

For wrap fee programs, the asset-based fee includes transaction costs and custody services, and as a result wrap fees are typically higher than non-wrap advisory fees.

The firm’s representatives may solicit customers on behalf of outside investment managers. Clients of third party managers receive their respective Part II form ADV and their Customer Relationship Summary in which their fees and services are disclosed. Fees and services of outside managers may differ from those of McClurg Capital Corporation.

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 on the services you receive and the amount of assets in your account. The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell.

For accounts not part of a wrap fee program, you will pay a transaction fee when we buy and sell an investment for you. The financial institution that holds your assets charges “custody” fees.

- Conversation Starters:**
- ⇒ ***How much would I expect to pay per year for an advisory account? How much for a typical 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?***

### 3. SUMMARY OF FEES, COST, CONFLICTS, AND STANDARDS OF CONDUCT (cont'd)

#### CONFLICTS OF INTEREST

##### BROKERAGE ACCOUNT

We can receive extra compensation by selling you certain investments offered by third party vendors such as mutual funds and insurance companies. Your financial professional may receive additional compensation if you buy these investments.

We may have an incentive to offer or recommend certain investments of outside sponsors or managers because they may share with us revenues they earn on those investments. The revenues earned by third party sponsors or managers are generally disclosed in the issuer's prospectus.

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.

##### INVESTMENT ADVISORY ACCOUNT

We can make extra money by advising you to invest in certain investments from third parties such as wrap account vendors because they are managed or sponsored by someone related to our firm. The fees and expenses charged by third party managers may be more or less than the fees that are otherwise charged to McClurg Capital internally managed portfolios.

We can buy investments from you and sell investments to you from our own accounts (called "acting as principal"), but only with full disclosure, your written approval and subject to maximum mark-up limitations. Please visit McClurg Capital's [Code of Ethics](#) in our 2020 Disclosures for Clients brochure for further details.

##### Conversation Starters:

- ⇒ ***What are the most common conflicts of interest in your advisory and brokerage accounts? Explain how you will address those conflicts when providing services to my account?***
- ⇒ ***How often will you monitor my account's performance and offer investment advice?***

### 4. DISCIPLINARY HISTORY

**Yes.** For additional information about our brokers, services, legal or disciplinary events, visit [investor.gov](http://investor.gov), [BrokerCheck](#), or our website [McClurgCapital.com](http://McClurgCapital.com).

##### Conversation Starters:

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

### 5. ADDITIONAL INFORMATION

We encourage you to seek additional information. For additional information on our advisory services, see our Form [ADV brochure](#) on [IAPD](#), on [investor.gov](http://investor.gov), or on our website [McClurgCapital.com](http://McClurgCapital.com). We will also provide you a free hard copy on your request.

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.

To report a problem to FINRA, visit [Finra.org](http://Finra.org).

To report a problem with your investments, account, or financial professional, contact us in writing at 950 Northgate Drive, Suite 301, San Rafael, CA 94903, ATTN: David McClurg.

##### Conversation Starters:

- ⇒ ***Who is the primary contact person for my account, and is he or she a representative of an investment adviser or a broker-dealer? 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?***