

Introduction

Modern Capital Securities Inc (MCS) is registered with the Securities and Exchange Commission as a broker dealer and is a member FINRA/SIPC* Fees for brokerage and investment advisory services differ among broker-dealers and investment advisers and it is important that you understand the differences. 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.

You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC. Securities in your account are protected up to \$500,000. For details, please see www.sipc.org

What investment services and advice can you provide me?

- **Principal Broker-Dealer Services:** As a broker-dealer, we can recommend investment strategies and securities and place securities transactions for you, including buying and selling securities that are held in accounts directly with the issuer (directly held accounts) or custodian.
- **Account Monitoring:** While we remain available to assist you after placing a securities transaction, our services do not include account monitoring.
- **Investment Authority:** We do not have discretionary investment authority, which means we cannot buy or sell investments in your account without asking you in advance. We may recommend investments to you, but you are responsible for making the ultimate decision to purchase or sell investments.
- **Scope of Investment Offerings:** We offer brokerage services for a wide range of securities. Not all of our financial professionals can offer the full range of broker-dealer products and services we offer.
- **Account Minimums:** We do not have minimum account requirements, but some securities you can purchase through us have minimum investment requirements

Please refer to our Reg BI Disclosure at www.moderncap.com/disclosures

To help you better understand the types of services we offer and the relationship we will have with you, we would like to discuss the following questions with you: *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?*

What fees will I pay?

- **Principal Fees and Costs:** The principal fees you will pay include transaction fees, product-related fees, and account fees. These fees are charged in connection with a transaction or are on-going fees. Please refer to the prospectus, account agreements, fee schedules, trade confirmation or offering document for more information about fees and expenses you will pay.
- **Transaction Fees:** When you buy or sell individual securities, such as stocks, bonds, or exchange traded funds (ETFs), you will pay us a commission, at the time of the transaction, which is an amount in addition to the amount of your investment. Similarly, when you buy certain securities products, such as mutual funds, 529 plans and unit investment trusts, you will pay a commission or sales load, which is subtracted from your investment amount at the time of purchase.
- **Product Fees:** For many securities products, including mutual funds, 529 plans, ETFs, unit investment trusts, variable annuities and variable life insurance, there are on-going fees (such as management fees, operating expenses, or mortality and expense charges) built into the cost of the product that you pay indirectly to the product issuer. The product issuer in turn often pays us part of these fees as an on-going commission, such as a "12b-1 fee". For variable annuities and variable insurance products, the product issuer generally pays us a commission based on deposits into your annuity or insurance product. Securities products may also charge you direct fees based on actions you take, such as deferred sales charges and redemption fees.
- **Account Fees:** For brokerage accounts and certain directly held accounts, you will pay an annual account fee and fees for services you select (such as wire transfers or account termination). These fees are deducted directly from your account.

Additional Information: 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. Refer to our Reg BI Disclosure at www.westernequitygroup.com/disclosure for more detailed information about your fees and cost

To help you better understand the impact of fees and costs, we would like to discuss the following question with you: 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?

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 some examples to help you understand what this means.

- **Third-Party Payments.** We receive commissions from the product issuer (such as a mutual fund or insurance company) and other third parties (such as our clearing firm) when we sell you products. We also receive ongoing payments, such as 12b-1 fees, from these third parties. These payments incentivize us to sell you their products and to maintain our relationships with them. Since the amount of compensation we receive varies among the product issuers and the different types of products and accounts we offer, there is an incentive to make available and recommend the products and accounts that pay us more compensation.
- **Revenue Sharing.** Many product issuers and other third parties, such as our clearing firm, share with us a part of the revenue that they earn on your investments or brokerage accounts. These payments incentivize us to offer or continue offering their products and services and to encourage you to increase the amount of your invested assets.
- **Transaction-Based Compensation.** Because we are paid each time you trade in your account or make a new investment, we have an incentive to encourage you to trade often and make additional investments.

Additional Information: Please refer to our Reg BI disclosure at www.moderncap.com/disclosures for more detailed information about our conflicts of interest

To help you better understand the conflicts of interest we have with you, we would like to discuss the following question: How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Commissions vary by investment and service. In addition, financial professionals can negotiate commissions charged to you on individual securities trades, and advisory fees for managed accounts and financial plans, within approved ranges. We pay our financial professionals a portion of the commissions and advisory fees we receive

In some cases, product issuers or sponsors provide our financial professionals with business entertainment, expense reimbursement for travel associated with educational or other business meetings, financial assistance in covering the cost of marketing expenses and sales events, and business courtesies, such as branded merchandise. We place reasonable limits on customary gifts and entertainment that our financial professionals may accept. However, the

receipt of such gifts, entertainment or payment is a conflict of interest, as the financial professional may be more likely to recommend those products or services that offer these forms of compensation.

A small number of our financial professionals are Modern Capital Securities, Inc. employees and are part of Modern Capital Securities, Inc home office team. Rather than receiving commissions, these financial professionals receive a salary, incentive compensation, recognition and other common employee benefits, such as health and retirement benefits, from "MCS". Our compensation programs create an incentive for these financial professionals to recommend this investment option.

Do you or your financial professionals have legal or disciplinary history?

Yes, some of our financial professionals, have legal and disciplinary disclosures. Please visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

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To help you better understand our disciplinary history, we would like to discuss the following question with you: ***As a financial professional, do you have any disciplinary history? For what type of conduct?***

Additional Information

You can find additional up-to-date information about our brokerage services and request a copy of our Relationship Summary by contacting us at 615-746-8810 or by email at frontdesk@moderncap.com

To help you better understand who to contact with any questions or complaints, we would like to discuss the following question with you: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?