

Regulation Best Interest Disclosure

This guide summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, we would like to remind you that we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker dealer and an investment adviser, providing both brokerage services and investment advisory services. Our brokerage services are the primary focus of this guide. For more information on our investment advisory services and how they differ from brokerage, please review the Customer Relationship Summary (Form CRS) available at www.cutterco.com/legal-information. Our Form CRS also provides general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information.

Please carefully review and consider the information in each section below.

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Brokerage services

When you establish a brokerage account with us, you can buy, sell and hold investments within your account. The primary service we provide is our trading capability. We execute purchases and sales on your behalf, and as directed by you. In a brokerage relationship we can trade with you for our own account or for another client, and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation. However, we are not required to communicate it in advance, obtain your consent, or inform you of any profit earned on trades.

Cash Brokerage and Margin Brokerage Accounts

We provide brokerage services through either a cash or a margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our Clearing Agents. This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned to you is secured by securities in your account, also referred to as “collateral.” You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is a copy of the [Margin Disclosure](#). This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us. Our [Margin Disclosure](#) is available at www.cutterco.com/legal-information.

Brokerage Account Types

We offer many different brokerage account types including individual and joint accounts, custodial accounts, Delivery Versus Payment (DVP) accounts, estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s). You should refer to our [Brokerage Account Agreement](#) for more information concerning available account types, which is available at www.cutterco.com/legal-information or speak with a financial professional.

Incidental Brokerage Services, Recommendations and Account Monitoring

Within your brokerage account, we may also provide other incidental services such as access to research reports and recommendations to buy, sell, or hold assets. When we make a securities recommendation, investment strategy recommendation or recommendation to rollover assets from your Qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made orally to you. Moreover, when we act in a brokerage capacity, we do not agree to enter into a fiduciary relationship with you.

It is important for you to understand that when our financial professionals make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. [You may accept or reject any recommendation](#). It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a financial professional about whether an advisory services relationship is more appropriate for you.

From time to time we will provide you with additional information and resources to assist you with managing your brokerage account. This may include, but is not limited to, educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

Clearing Services

We have entered into an agreement with First Clearing* and RBC Capital Markets (“RBC”) (also referred to herein as “Clearing Agents”) to carry your account(s) and provide certain back office functions. We and our Clearing Agents share responsibilities with respect to your account as set forth in the [Designation of Responsibilities](#) that was delivered to you upon opening of your account. This disclosure can be found on our website: www.cutterco.com/legal-information for complete information on how such responsibilities have been allocated between us and our Clearing Agents.

*First Clearing is a trade name used by Wells Fargo Clearing Services, LLC. Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company

Understanding Risk

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments often have the potential for higher returns but also for greater losses. The higher your “risk tolerance,” meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns.

We align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs.

Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum, with “Income” investors typically holding the smallest percentage of higher-risk investments, followed by “Growth and Income” investors holding *some* higher-risk investments, and finally “Growth” investors holding a significant portion of their portfolio in higher-risk investments. Risk tolerance also varies, and we measure it on a continuum that increases from “Conservative” to “Moderate” to “Aggressive,” and finally “Trading and Speculation.” See the chart below for details regarding these choices for our Clearing Agents

First Clearing Investment Objective/Risk Tolerance

| Investment Objective | Investment Objective Description | Risk Tolerance | Risk Tolerance Definition |
|-------------------------|--|----------------|--|
| Income | Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets. | Conservative | Conservative Income investors generally assume lower risk but may still experience losses or have lower expected income returns. |
| | | Moderate | Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns. |
| | | Aggressive | Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses. |
| Growth & Income | Growth and Income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets. | Conservative | Conservative Growth and Income investors generally assume a lower amount of risk but may still experience losses or have lower expected returns. |
| | | Moderate | Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns. |
| | | Aggressive | Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses. |
| Growth | Growth portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets. | Conservative | Conservative Growth investors generally assume a lower amount of risk but may still experience increased losses or have lower expected growth returns. |
| | | Moderate | Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns. |
| | | Aggressive | Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses. |
| Trading and Speculation | Trading and Speculation investors seek out a maximum return through a broad range of investment strategies which generally involve a high level of risk, including the potential for unlimited loss of investment capital. | | |

RBC Investment Objective/Risk Tolerance

Preservation of Principal/Income – The investment goal is capital preservation and generation of current income.

Minimal: I have a minimal tolerance for risk and am willing to accept the lowest possible returns which may not keep pace with inflation.

Low: I have a low tolerance for risk and am willing to accept some level of volatility to seek returns with less fluctuation in value.

Balanced Growth – The investment goal is a balance between capital appreciation and wealth preservation.

Minimal: I have a minimal tolerance for risk and am willing to accept the lowest possible returns which may not keep pace with inflation.

Low: I have a low tolerance for risk and am willing to accept some level of volatility to seek returns with less fluctuation in value.

Moderate: I have a moderate tolerance for risk and am willing to accept modest returns with potential for some fluctuation in value.

Growth – The investment goal is capital appreciation.

Low: I have a low tolerance for risk and am willing to accept some level of volatility to seek returns with less fluctuation in value.

Moderate: I have a moderate tolerance for risk and am willing to accept modest returns with potential for some fluctuation in value.

High: I have a moderate to high tolerance for risk and am willing to accept the potential for greater fluctuation in value to seek higher returns.

Aggressive Growth/Aggressive Income – The investment goal is significant capital appreciation and/or income generation.

Moderate: I have a moderate tolerance for risk and am willing to accept modest returns with potential for some fluctuation in value.

High: I have a moderate to high tolerance for risk and am willing to accept the potential for greater fluctuation in value to seek higher returns.

Maximum: I have a high tolerance for risk and am willing to accept the potential for significant fluctuation or loss in value while seeking to maximize potential returns.

Speculation – The investment goal is to maximize capital appreciation.

High: I have a moderate to high tolerance for risk and am willing to accept the potential for greater fluctuation in value to seek higher returns.

Maximum: I have a high tolerance for risk and am willing to accept the potential for significant fluctuation or loss in value while seeking to maximize potential returns.

Our recommendations are based in part on your risk tolerance and investment objective as outlined above. We encourage you to carefully consider your investment objective and risk tolerance before investing.

Cash Sweep Program Feature

Our brokerage services include a Cash Sweep Program feature. This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically “swept” into a “Cash Sweep Vehicle,” until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing bank deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. You will receive detailed information concerning the Cash Sweep Program in your account agreement(s). More information about the Cash Sweep Program can be found in the [Cash Sweep Program Disclosure](http://www.cutterco.com/legal-information) available at www.cutterco.com/legal-information.

Account Minimums and Activity Requirements

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained (i.e. margin accounts), or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account.

You should also understand that our financial professionals may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated financial professional may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your financial professional.

Brokerage service models and products

We are a full-service brokerage firm. We offer the following investment products:

Stocks/Preferred Stocks
Options
Open End Mutual Funds
Closed End Funds
Exchange Traded Products
Certificates of Deposit
Money Market and FDIC Insured Funds

Unit Investment Trusts
Bonds – Corporate, Government
and Municipal
Structured Products such as equity
linked CD's
Annuities

Brokerage fees and our compensation

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees and costs involved.

Transaction-Based Fees

You will pay transaction-based charges for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds, annuities, exercising options and other investment purchases and sales. These transaction-based fees are generally referred to as a “commission,” “mark up,” “sales load,” or a “sales charge.” Transaction-based fees are based on a host of factors, including, but not limited to:

- Underlying product selection
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available discounts and/or fee waivers

Account and Service Fees

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees, visit us at www.cutterco.com/legal-information to review our disclosure regarding Account Service Fees.

How We Are Compensated

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

Commission Schedule for Stocks, Options, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs) -Following is a schedule outlining the range of commissions that will be charged to you and received by us and your financial professional for trades in the respective securities listed.

RETAIL COMMISSION SCHEDULE*

| <u>Stocks*</u> | <u>Minimum</u> | <u>Maximum</u> |
|-----------------------|-----------------------|-----------------------|
| 0-100 shares | \$35 | \$250 |
| 101-250 shares | \$35 | \$350 |
| 251 – 500 shares | \$35 | \$500 |
| 501-750 shares | \$50 | \$550 |
| 751-1000 shares | \$50 | \$600 |
| 1,001 – 5,000 shares | \$75 | \$650 |
| Over 5,000 shares | \$100 | 10 cents per shares |

Options*

| | | |
|---------|-------|-------------------------|
| 0-10 | \$30 | \$250 + \$1.50/contract |
| 11-25 | \$35 | \$350 + \$1.50/contract |
| 26- 50 | \$50 | \$450 + \$1.50/contract |
| 51-over | \$100 | \$600 + \$1.50/contract |

Bonds/Certificates of Deposit*

| | | |
|------------------------------------|-------|---------------------------|
| 10 bonds or less | \$50 | \$350 |
| Over 10 bonds – less than 50 bonds | \$75 | \$1,750 |
| Over 50 bonds | \$100 | Maximum 3.5% of principal |

Debt Securities

For debt securities, including preferred securities and CDs, we may apply a charge (i.e., markup on purchases or markdown on sales) of up to 3.5% of the amount of your transaction.

****The rates outlined above can be negotiated higher or lower when agreed upon by both the client and the financial professional. Discounts may be available based on the client relationship, overall size of the client assets held with a specific advisor and/or as an accommodation to the client.***

Higher rates may occur when involving a very complex transaction, a stock with a high share price (where even a small share purchase would equate to a large dollar value transaction) or when extensive work was necessary to implement the transaction (i.e. illiquid security, extensive research needed, etc.)

In no instance should a commission exceed 5% of the value of the trade. However for transactions of a very small share quantity and/or very low share price, the commission could exceed 5% of the total market value of the trade to a maximum charge of \$100.

Mutual Funds

We currently offer thousands of mutual funds varying in share class structure and investment style. If you invest in mutual funds, we receive direct and indirect compensation in connection with mutual fund investments, as described below.

12b-1/Shareholder Service Fees

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are asset- based fees charged by the fund family. These fees range from 0.00% to 1.00%. These fees, when paid to us, are retained by us and a portion is paid to your financial professional as a commission based on their payout agreement with the firm.

Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)

When a purchase is made that incurs a front-end sales charge, this fee is paid to us, with a portion paid to your financial professional based on their payout agreement with the firm. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your financial professional if you believe you are eligible for sales charge waivers.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges range from 0.00% to 2%. CDSC periods can range from zero to two years. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the "back-end load". CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC, when applicable, is paid by you - not passed on to your financial professional. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund.

Revenue Sharing

The firm shares revenue with our Clearing Agents in the following areas:

- Cash Sweep Program/Bank Deposit Program/Money Markets
- Free Credit Cash Balances
- Margin Interest
- Wrap Account Programs- Platform Fees

We benefit financially from cash balances held in free credit, cash sweep programs, bank deposit programs and money markets, (when available). Eligibility for each sweep vehicle is based on your account type (advisory, non-advisory, qualified account, etc.) We also share revenue on margin debit balances with our Clearing Agents.

To be eligible for the revenue sharing in the above categories, minimum threshold levels in the federal funds rates and for the margin interest revenue sharing, specific thresholds related to broker call rates, must be met to be eligible.

We offer a variety of wrap accounts to choose from. These programs include a platform fee charged by us and our Clearing **Agents** for services provided in the wrap structure (i.e. trading, performance reporting and fee deduction). This platform fee is charged to the financial **professional** and deducted from the **agreed upon** fee.

Annuities

We offer a variety of annuities, including fixed, index, and variable annuities. Under arrangements with insurance companies, we, including your financial professional, receive commissions from the insurance companies for the sale of annuities, which, depending on the compensation option selected, can include trail commissions. Trail commissions are considered indirect compensation.

Commissions and trails paid to us vary by product type and may vary by insurance carrier. The typical compensation a financial professional may choose is a one time, up front commission of 7% with no additional trails paid. It is common for an insurance company to offer additional options with a lower upfront payment, and then indirect trail payments that continue to pay starting after the first year of the contract. These options vary depending on the length of the surrender charge of the product and the age of the owner of the annuity.

The firm will retain a portion of this commission and the financial professional will receive a portion based

on their payout agreement with the firm. A conflict exists when selling annuity products in that the financial professional has an incentive to sell the annuity that pays the most compensation. The firm will supervise the annuity product and the compensation chosen by our financial professionals to confirm the annuity purchased is suitable considering the client's investment objectives, time horizons and is in the best interest of the client.

Structured Products/Market-Linked Investments

We, along with your financial professionals, are compensated in ways that vary depending on the type and terms of the Structured Product offering selected. The typical range of fees received by us are between 2- 4% depending on the holding period for the specific Structured Product offering (usually between 3 and 7 years). The specific costs for each Structured Product offering are disclosed via the offering memorandum issued by the Structured Product issuer. Your financial professional can provide you a copy of the offering memorandum. The Structured Product issuer deducts fees as compensation from the proceeds available from investments for marketing and distribution expenses, which includes compensating us as described in each offering document. These fees, when paid to us, are retained by us and a portion is paid to your financial professional as a commission based on their payout agreement with the firm.

Unit Investment Trusts (UITs)

Our UITs consist of Equity and Fixed-Income UITs. We, along with your financial professional, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The fees received by us range between 1.50% - 3% depending on the holding period for the specific UIT (usually between 15 and 24 months). The specific costs for each UIT offering are disclosed via the prospectus issued by the UIT provider. Your financial professional can provide you a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available from investments for marketing and distribution expenses, which includes compensating us as described in each UIT prospectus. These fees, when paid to us, are retained by us and a portion is paid to your financial professional as a commission based on their payout agreement with the firm.

Cash Sweep Program/Bank Deposit Sweep

For a description of the program and more detailed information, please refer to the applicable Cash Sweep Program Disclosure for your respective Clearing Agent. The Cash Sweep Program Disclosure can be found on our website at www.cutterco.com/legal-information under the disclosure titled Cash Sweep Program Disclosure.

Each of our Clearing Agents has a separate formula used to determine if we receive a rebate on the cash sweep balances. This formula is based on the current value of the federal funds rate. First Clearing will credit us a rebate up to 50 bps on average net assets when the Federal Funds Rate is at or above 1%. A reduced percentage of the rebate will be paid at lower Federal Funds Rates and there is no rebate when the Federal Funds Rate is 0%. RBC provides us a rebate on the monthly average daily balances in the RBC Insured Deposits sweep program based on the following formula:

Annual Rebate = (Effective Fed Funds / 1.20%) x .60% with the right to modify these arrangements due to circumstances arising from changes to the interest rate environment. When we do receive rebates, they directly reduce the interest you may otherwise receive on balances you maintain in the cash sweep or bank deposit sweep program. See "Revenue Sharing" on page 7 for more detailed information.

Margin Debit Balances

When you establish a margin loan balance, interest will be charged on the amount of money that has been loaned to you by our Clearing Agents. The Clearing Agents share this revenue with us when specific thresholds are met in the posted rate for "Broker Call" based on our total average customer margin balance for the interest period and current Broker Call interest rate.

Operational Fees

Our Clearing Agents will charge your brokerage account fees for various services provided to you. Our firm will retain a portion of some of these service fees as compensation for various operational services provided to you by our staff. You can obtain the current fee schedule for these services by visiting our website at www.cutterco.com/legal-information and reviewing applicable Clearing Agent's disclosure titled Account Service Fees.

Training and Education

We work closely with a large number of product and service providers, many who provide training and education. These meetings or events are held to educate financial professionals on product characteristics, business building ideas, successful sales techniques, suitability as well as various other topics. In addition, some vendors provide free or discounted research or technology tools, which are meant to assist our financial professionals in providing services. Financial professionals may receive promotional items, meals or entertainment or other non-cash compensation from product providers, such as marketing dollars to offset the cost and support a meeting for the financial professional's clients (i.e. provider may pay a portion of the cost of food or entertainment, mailing of invitations, etc.)

Training and education compensation is not tied to any individual transaction or the amount of that vender's assets held in client accounts. However, it is important to understand that not all providers offer these non-cash compensation incentives and providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with financial professionals; these relationships could lead to sales of that particular company's products.

Trade Corrections

Corrections for trade errors will be made as soon as possible after the error is discovered. Often this means no later than the next business day. Sometimes an error correction needs to take place after an investigation to determine whether the client, the advisory firm, the broker/dealer or the custodian made the error. Error correction may need to be delayed until after the Company consults with the client. The Company will use its best efforts to resolve errors in a timely manner and will maintain a file documenting the correction of all trading errors.

If a trading error results in a loss, the party that is responsible for the error shall pay for the loss (i.e. client errors are paid for by client, financial professional errors paid by the financial professional, firm errors are paid by the firm). In the event the error results in a gain, if the client made the error and is able to retain the trade (i.e. by adding additional funds to pay for too many shares purchased), the client is allowed to retain any such gain and the additional shares once the trade has been fully paid. If client makes an error that results in a gain, either because the stock being bought or sold was incorrect, or they sell more shares than they own, the firm will retain any gains attributable to correcting the trade. If the financial professional is responsible for the error that results in a gain, the firm will retain the gain and will not provide the credit to the financial professional.

Compensation for Termination of Services

Other than retaining a portion of the termination fee charged for an automated account transfer to another brokerage firm, the firm does not participate in the contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), or IRA termination fees (when applicable).

Brokerage – Excluded Advisory Assets

As described above, our brokerage services differ from our advisory services. However, in some instances we may allow an advisory client to trade what are referred to as "excluded assets" within their advisory services account. Excluded assets are not subject to our advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

Conflicts of interest

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially adverse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our financial professionals, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, affiliates, and non-affiliated product providers and money managers, as well as other third parties as described above. Securities rules allow for us, our financial professionals, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our financial professionals receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

Compensation We Receive From Clients

Transaction-based conflicts

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded products, equity securities, and bonds. Where these fees apply, the more transactions you enter, the more compensation that we and your financial professionals receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

Markups and markdowns for principal transactions

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

Account maintenance and other administrative fees

For the services we provide or make available to you with respect to your brokerage account, we charge account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. Our Clearing Agents contractually establish what they charge us for these services, and we then may mark up those charges and retain the difference. Specifically, we mark up our charges for postage and handling, annual account fees charged for IRA and non-IRA accounts.

Compensation We Receive from Third Parties

Third-party payments we receive may be based on new sales of investment products, creating an incentive for us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive for us to recommend that you buy and hold investments (or continue to invest through a third-party manager or adviser).

The total amount of payments we receive varies from product to product, and varies with respect to the third-party investment management products we recommend. It also varies from the compensation we receive in connection with other products and services we may make available to you, including advisory services. We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors, even where it is not paid by the Product Sponsor and not directly from the investment product or other fees you pay. The types of third-party compensation we receive include:

- **Revenue Sharing.** Please refer to the Revenue Sharing section.
- **Trail Compensation.** Ongoing compensation from Product Sponsors may be received by us and shared with our financial professionals. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

Product Share Classes

Some Product Sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us.

Payment for Order Flow

In an effort to provide best execution, we may route our orders to various market venues. We may receive compensation or a credit against expenses charged to route our orders. The source and amount of compensation received in connection with your transactions will be disclosed upon written request. See our [Order Routing Practices](#) Disclosure at www.cutterco.com/legal-information.

Compensation Related to Our Affiliates

Our firm is a broker-dealer, an investment advisor, and an insurance agency – all three of these business lines are operated within one corporate entity. The investment advisor clients are asked (but are not required) to establish an account with the broker-dealer when they are not using a “wrap” fee advisory account program. When you agree to this arrangement, the broker-dealer will benefit from account fees, postage and handling fees, as well as the transactional activity that occurs in the account (i.e. we profit from the ticket charges our financial professionals are required to pay).

Compensation Received by Financial Professionals

Financial professionals are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients and/or total assets under advisement, including brokerage account activity. This compensation amount varies by the product or service associated with a brokerage recommendation.

In addition to upfront-transaction based compensation, some products feature on-going residual or “trail” payments. Thus, financial professionals are incentivized to recommend products that have higher fees as well as those with on-going payments.

Typically, a financial professional's payout schedule (periodically adjusted by us at our discretion) increases with production and asset levels. The same payout schedule is reduced when financial professionals production levels are below minimums established by us from time to time. Financial professionals also may be eligible for reduced ticket charges at higher levels of activity. As a result, financial professionals have an incentive to increase their transactional activity to reach the reduced ticket charge levels. We actively supervise our trading activity to ensure transactions are being done in our client's best interest.

Financial professionals have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. Financial professionals are incentivized to recommend you transition your brokerage services account to an advisory account to generate on-going revenue where your brokerage account has minimal activity. Further, financial professionals are incentivized to recommend you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk. Financial professionals also have an incentive to provide higher levels of service to those clients who generate the most fees.

Recruitment compensation is provided to financial professionals who join our firm from another financial firm. This compensation varies for each prospective financial professional based on their specific circumstances. The types of compensation provided often includes either an upfront award based upon new client assets transferred to the firm and/or revenue generated from such client assets. This creates an incentive for the financial professional to recommend the transfer of assets to the firm, including brokerage assets, in order to earn this compensation. Other assistance offered may include reimbursement of customer transfer expenses, forgivable loans, non-forgivable loans, equipment, short term waivers of specific expenses, etc.

Additionally, product providers that sponsor and/or participate in education meetings gain opportunities to build relations with financial professionals, which could lead to sales of such product provider's products. Financial professionals also receive promotional items, meals, entertainment, and other noncash compensation from product providers up to \$100 per year for gifts per vendor and \$1,000 per year for meals per vendor.

Other Financial Professional Activities

Financial professionals may be motivated to place trades ahead of clients in order to receive more favorable prices than their clients.

We maintain policies and procedures to review and mitigate conflicts of interest related to transactions in our financial professional's personal investment accounts, including accounts of their immediate family members, versus those transactions executed in client accounts.

Additional Resources

The following documents can be found at our website at: www.cutterco.com/legal-information

| Title |
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| Form CRS |
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Regulation Best Interest Disclosure

Account Service Fees

ADV Disclosure Part 2A

Brokerage Account Agreement

Business Continuity Plan

Cash Sweep Program Disclosure

Designation of Responsibilities

Margin Disclosure

Order Routing Practices

Privacy Policy