

BCG Securities, Inc.

Client Relationship Summary



Introduction:

BCG Securities, Inc. (BCGS) is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and a registered investment advisor. Brokerage and investment advisory services and fees differ, and it is important for you, the retail investor, to understand the differences.

Free and simple tools are available to research firms and financial professionals at www.investor.gov/crs, which also provides educational materials about broker-dealers, investment advisors, and investing. To learn more about BCGS, you may go to Financial Industry Regulatory Authority's broker check at: <https://brokercheck.finra.org/>.

Relationships and Services:

What investment services and advice can you provide me?

BCGS offers both brokerage services and investment advisory services to retail investors. The principal services, accounts and investments we make available, and material limitations on these services are summarized below.

When we provide services in a broker-dealer capacity, we effect purchases and sales of securities on your behalf, and a registered representative associated with BCGS (RR) may provide you specific recommendations related to the investments you may elect to make and the type of investment account(s) you may elect to maintain. You will make the ultimate decision regarding the purchase or sale of investments. It is important to understand that, as a broker-dealer, BCGS does not monitor your investment(s) or account after a recommendation is made and/or the transaction is entered, and neither does any RR. BCGS and its RRs do not exercise discretionary authority over brokerage accounts.

When we provide services in our capacity as a registered investment advisor, we provide investment advisory services and investment management services. When we provide investment advisory services, an investment advisor representative appointed with BCGS (IAR) makes investment and/or investment account-type recommendations to you, but you make the ultimate decision regarding whether to act in response to the recommendation. As part of our investment advisory services, you may also elect to receive financial planning services, pension consulting services, and wealth management services.

When we provide investment management services, you may invest in model portfolios constructed by third-party investment advisory firms through sub-advisory relationships or through portfolios constructed and managed by an IAR. If you elect to receive investment management services, the third-party investment manager of the applicable managed account program or the IAR, as applicable, will exercise investment discretion over your account on your behalf.

Investment advisory or investment management services may only be offered if your representative is qualified by exam and authorized to act in the capacity of a BCGS IAR. All other products may be offered only if your representative is qualified by exam and authorized to act in the capacity of a BCGS RR. IARs provide account monitoring on at least an annual basis.

We offer no proprietary securities products to retail investors. We offer mutual funds, exchange-traded funds, equities, fixed income, variable life, and variable annuity insurance products. Certain existing clients also have investments in private placements and alternative investments, which we previously offered. RRs and IARs execute transactions through our clearing agent, Pershing LLC.

While BCGS does not have a minimum amount required to open a BCGS account, the securities products BCGS offers may be subject to a minimum deposit. These product-related account minimums vary between the products. The minimum deposits are outlined in each product's respective prospectus, agreement, and/or contract summary.

If you would like more detailed information about our services as a broker-dealer, please refer to our **Recommendation Disclosure Statement**. If you would like more detailed information about our investment advisory and investment management services, please refer to our **Form ADV, Part 2A** brochure. Both documents are available on our website: <https://www.bcgsecurities.com/>.

We also offer insurance products that are not securities products (for example, term life insurance, whole life insurance, fixed annuities, fixed-indexed annuities), but those sales are not provided in our capacity as a broker-dealer or investment advisor.

Questions to consider:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?*

Fees, Costs, Conflicts and Standard of Conduct:

What fees will I pay?

It is important for you, the retail investor, to understand the principal fees and costs you will incur for your brokerage or investment advisory services, including how frequently they are assessed and the conflict of interest they create.

- **Brokerage accounts:** If you elect to open a brokerage account, we charge transaction-based fees to buy and sell securities. This means you are charged more when there are more trades in your account. Therefore, we may have an incentive to encourage you to trade more often.
- **Annuities:** If you elect to purchase a variable annuity, the insurance company offering the product charges asset-based fees based on a percentage of assets invested in the annuity contract under management and BCGS receives a portion of those charges. The more assets you contribute to an annuity, the more you will pay in fees. Therefore, we have an incentive to encourage you to increase the assets in your account.
- **Mutual fund platform accounts:** If you elect to open a mutual fund platform account, the provider charges asset-based fees based on a percentage of assets invested in the mutual fund platform product and BCGS receives a portion of those fees. The more assets you contribute to a mutual fund platform account, the more you will pay in fees. Therefore, we have an incentive to encourage you to increase the assets in your account.
- **Variable universal life insurance:** If you elect to open a variable universal life insurance policy, the insurance company offering the product charges fees on those dollars being allocated to the separate account of the variable universal life insurance policy. The more assets you contribute to the variable universal life insurance policy's separate account, the more fees you will pay. Therefore, we have an incentive to encourage you to increase contributions to your variable universal life insurance policy.
- **Investment advisory and investment management services:** If you elect to open an investment advisory or investment management type-account, we charge asset-based fees based on a percentage of assets in the account. The rate and periodic basis for your account billing will be discussed in your account agreement. The more assets invested in an advisory account, the more you will pay in fees. Therefore, we have an incentive to encourage you to increase the assets in your account.

You will also incur other fees and costs related your brokerage or investment advisory / investment management services. These include, but are not limited to, depending on the product: mortality and expense fees and/or market value adjustments associated with variable insurance products, mutual fund distribution fees, account maintenance fees, account termination fees, brokerage account trade ticket fees, or custody fees.

You will pay fees and incur 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. You can find more detailed information about fees and costs related to our services as a broker-dealer in our **Recommendation Disclosure Statement**. You can find more detailed information about our fees and costs related to our investment advisory and investment management services in our **Form ADV, Part 2A**.

Questions to consider:

- *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 as my broker-dealer or when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your investment advisor, we must 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 and investment advice, we provide you. Here are some examples to help you understand what this means.

- **Investment Management Services:** Investment management fees cover a wider range of services, including transaction costs, custody of your securities, and ongoing account monitoring. The periodic fees for these high touch services create incentives for IARs to recommend investment management services to you, rather than brokerage services.
- **Revenue sharing:** Mutual funds and variable insurance products charge account holders distribution fees and expenses on a periodic and ongoing basis. Some of these fees are shared with us and passed through to your RR and create an incentive for us to recommend these types of securities.

Questions to consider:

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

How do your financial professionals make money?

Our RRs receive cash compensation when making recommendations involving sales of securities products. RRs may, depending on the product recommended, also receive a portion of the ongoing 12b-1 or other distribution fees we receive, which are charged from assets held in your portfolio. These products have different sales charges and compensation levels. This means the RR receives more compensation when there are more trades in your account, or when the RR makes a recommendation for a securities product with higher sales charges with higher ongoing distribution fees. The RR has an incentive to encourage you to trade more often or to recommend products with higher sales or distribution charges because it increases their compensation.

Our IARs receive cash compensation when making a recommendation for a managed account subject to an asset-based fee. The more assets there are in an advisory account, the more the IAR receive in cash compensation. The financial professional has an incentive to encourage you to increase the assets in your account.

By being registered to act as a BCGS RR or BCGS IAR, individuals are eligible to attend an educational business conference hosted by BCGS. The value of the trip is paid by BCGS and depends on the hotel, travel, dining and entertainment expenses associated with the applicable trip. Eligibility for the trip is not tied to any financial incentives, such as specific product recommendations or sales quotas.

Disciplinary History

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

Yes. For a free and simple search tool to research our firm and our registered representatives' disciplinary actions and history, please go to: <https://brokercheck.finra.org/>

Questions to consider:

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

Additional Information

For up-to-date information about our firm, our financial professionals or to request a current copy of the relationship summary, please call 888-394-2247 or go to: www.bcgsecurities.com.

Questions to Consider:

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