

# Abraham Securities Corporation

## Client Relationship Summary

October 15, 2020

**Introduction:** Abraham Securities Corporation (“ASC” or “Abraham” or “broker” “we” or “us” or “Firm”) is registered with the Securities and Exchange Commission ([SEC](#)) as a Broker-Dealer and is a member of the Financial Regulatory Authority ([FINRA](#)) and the Securities Investor Protection Corporation ([SIPC](#)). Our parent company, Abraham & Co., Inc., is a Registered Investment Adviser (RIA) which is currently registered in the states of Washington and Idaho.

Brokerage and investment advisory services and fees differ, and it is important for you, the retail investor to understand the differences. The SEC offers free and simple tools to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides information tailored to educate retail investors about financial professionals.

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

**Non-discretionary brokerage accounts:** ASC offers brokerage services to retail investors who wish to buy and sell securities. These services are transactional in nature (commission-based) and are generally more suited for, and benefit most, those customers experienced with buying and selling securities for their own account. As your broker, our primary role is to execute trades for clients based on their instructions. When doing so, unless otherwise agreed to in writing, we are acting as your broker in such transactions, executed for your account, and is not acting as your investment advisor. As your broker ASC transacts business in various types of securities, which it may recommend to you to buy, sell, or hold. ASC may also receive unsolicited orders from you when it has not made a recommendation to you about a securities transaction. Unless instructed by the client in writing, and accepted by the Firm, ASC does not regularly monitor your account which means that you make the ultimate decisions regarding the purchase or sale of investments, the timing of these transactions and pursuing your own personal investment strategies. However, ASC does consider your financial suitability, risk tolerance, and your stated investment objectives when it makes any recommendations. As part of ASC’s standard brokerage services, we monitor continuously the investment recommendations we make to you, the client.

**For discretionary, investment advisory services:** Investors interested in privately-managed accounts are directed to our parent company, Abraham & Co., Inc., which is an RIA, who manages investor assets on a discretionary and fee-only basis. This means that you hand us the reigns and rely on our knowledge and investment decisions.

### **Conversation starters.**

*Ask your financial professional:*

- *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, industry experience and other qualifications?*
- *What do these qualifications mean?*

For additional information including minimum investment amounts, please see [www.abrahamco.com](http://www.abrahamco.com) for our Form ADV Part IIA – *Client Information Brochure* (Items 4-6) and our *Regulation BI Disclosure* at [www.abrahamco.com](http://www.abrahamco.com)

### ***What fees will I pay?***

For brokerage services, the fees and cost you will incur when buying and or selling are transaction-based (commissions and ticket charges) and are assessed on a transaction-by-transaction basis.

- Cost to you in such transactions will include commissions, commission equivalents, mark-ups, markdowns, spreads, and sales charges (which may include underwriting or similar compensation when you are a selling security holder in a securities offering).
- If our firm charges you a commission, our representatives may offer products to you that cost more and therefore you will be charged more.

There are other fees and costs related to our brokerage services, and charged to us by our custodian or clearing agent(s) that you will pay directly or indirectly. Some examples of our most common fees and costs are insurance fees, exchange fees, mutual fund fees, annual account maintenance fees, account transfer (ACAT) fees, and margin interest.

#### **Conversation starters.**

*Ask you financial professional:  
- 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?*

**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 clearly understand what fees and costs you are paying.**

**For investment advisory services,** our fees can be assessed monthly or quarterly and are disclosed in our Form ADV Part A which can be found on our website. Some fees create an inherent conflict of interest described below.

- If our firm charges you asset-based fees, the more assets in the account will cause you to pay more in fees and therefore we may have an incentive to encourage you to increase the amount of money invested in those accounts.

For more detailed information about our fees and costs, please review our Form ADV, Part IIA *Client Information Brochure* (specifically Items 4-6) that can be found at [www.abrahamco.com](http://www.abrahamco.com). For more detailed information about our broker-dealer fees and costs please also review our Regulation BI disclosure.

***What are your legal obligations to me when providing recommendations as my broker or when acting as my investment adviser? 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 or act as your investment adviser, we have to act as a “fiduciary” in your best interest. This means we do not put our interest ahead of yours. At the same time, the way we make money inherently creates some conflicts with your interests. While we take steps to avoid or minimize these conflicts, 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.

- If you invest in mutual funds, annuities, or insurance products, our firm that may be costly, dependent on amount purchased and time horizon.

***How do your financial professionals make money?***

- Our professionals are compensated based on the volume of transactions and certain products sold and therefore can earn higher commissions for themselves by recommending certain products.

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

Yes. Our firm and its principal have one disciplinary item (regulatory) in our 38-year history, which is addressed in our Form ADV or our Form BD.

Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

**Conversation starters.**

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

***Additional Information***

You can find additional information about our services and request a current copy of this relationship summary by emailing us at: [invest@abrahamco.com](mailto:invest@abrahamco.com) or calling us at: (253) 851-7486 Mon-Fri (except holidays).

**Conversation starters. Ask your financial professional:**

- *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?*