

## FORM CRS CUSTOMER RELATIONSHIP SUMMARY 7/20/2022

### INTRODUCTION

Sanderlin Securities LLC (Sanderlin) is a broker dealer registered with the SEC. Retail investors should understand the differences in fees and services between investment advisors and broker dealers. Free and simple tools are available to research firms and financial professionals on the SEC's investment education website: [investor.gov/crs](http://investor.gov/crs), which also provides educational materials about broker dealers, investment advisors, and investing.

### WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Sanderlin provides brokerage services in municipal bonds and US Treasury Securities. We do not make recommendations to retail investors. We select what we believe are the best municipal bonds or US Treasury Securities available that satisfy your specifications and use the limited discretionary authority granted to us to execute the trade in your account. The ultimate decision on what bonds we buy or sell lies with the retail investor.

Retail accounts are monitored by reviewing them at the beginning of each month and determining at that time if bonds have matured.

Sanderlin only transacts in municipal bonds and US Treasury Securities that are in the secondary market. This means bonds that have been previously issued and are now offered for resale by other dealers. We do not buy bonds for your account in the primary or new issue market, because we find that yields and availability are generally better in the secondary market.

Sanderlin does not have account minimum per se. You should be aware that the practical minimum for a single transaction in municipal bonds is around five thousand dollars because that is *almost always* the minimum denomination for a municipal bond transaction.

Questions you might ask:

- GIVEN MY FINANCIAL SITUATION, SHOULD I CHOOSE A BROKERAGE SERVICE? WHY OR WHY NOT?
- WHAT IS YOUR RELEVANT EXPERIENCE, INCLUDING YOUR LICENSES, EDUCATION AND OTHER QUALIFICATIONS? WHAT DO THESE QUALIFICATIONS MEAN?

### WHAT FEES WILL I PAY?

Sanderlin adjusts the cost of each purchase and the proceeds of each retail sale to cover the expected transaction and incidental costs charged to us by our clearing company. No additional commissions or management fees are charged. Neither Sanderlin nor our clearing firm, Hilltop securities, charge a maintenance fee for regular accounts. There is however an annual maintenance fee charged by Hilltop for Individual Retirement Accounts (IRAs). That fee is \$45.

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.

Questions you might ask:

- 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?

We *do not* provide recommendations. 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 services

we provide you. Here is an example to help you understand what this means. We trade in the secondary municipal bond market for profit. There is a chance we could trade a municipal bond that meets your investment parameters back to the street for a trading profit instead of selling it to your account. On bonds we sell to our retail investors, we attempt to make the transaction at zero profit to the firm after transaction costs. The firm profits only from its dealings with other brokers when we buy municipal bonds from the secondary market and reoffer them to other brokers or sophisticated institutional parties.

The municipal bonds and US Treasury securities we sell our retail investors are purchased from other market participants. In the rare circumstance, where retail investors' bonds are sold prior to maturity, we solicit competitive bids and determine whether the high bid is favorable under prevailing market conditions.

We do not receive compensation from the money market funds holding your excess cash nor do we receive payments for order flow. Questions you might ask:

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

#### HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

The firm makes money by trading with other broker dealers and with what are called sophisticated municipal market participants (SMMPs) e.g., trust companies, mutual funds, and insurance companies. We bid for bonds that we feel can be sold at a higher price to other broker dealers or SMMP's.

The firm's traders are compensated based on a percentage of their trading profits with these trading partners. They receive no non-cash compensation outside of the usual benefits full time employees receive e.g., health insurance, dental insurance, etc.

We feel this compensation structure creates no conflict of interest with our customers other than the one cited in the previous section.

#### DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No. Neither Sanderlin nor its registered representatives have reportable disciplinary history. You may conduct further research by visiting: [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research the firm and/or the firm's representatives. Questions you might ask:

- AS A FINANCIAL PROFESSIONAL, DO YOU HAVE ANY DISCIPLINARY HISTORY? FOR WHAT TYPE OF CONDUCT?

#### ADDITIONAL INFORMATION

For up-to-date information about Sanderlin Securities, or to request a copy of the Customer Relationship Summary (CRS), feel free to call us at (901) 683-1903.

The SEC, FINRA, and MSRB regulate our activity and each of them provides a website where additional information about Sanderlin, and markets and brokers in general, may be found. Questions you might ask:

- WHO IS MY PRIMARY CONTACT PERSON?
- IS HE OR 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?