

September 9,2022

CUSTOMER RELATIONSHIP SUMMARY

INTRODUCTION

E Barnes & Company, dba Pacific Investment Securities Corp. (“PISC”) is a Securities and Exchange Commission (“SEC”) registered broker/dealer and member of FINRA/SPIC. Free and simple tools are available to research firms and financial professionals at (Investor.gov/CRS); this website also provides educational material about broker/dealers and investing. This document describes how we interact with you when we make a recommendation acting as a broker-dealer. Brokerage and advisory services and fees differ and it is important for the *retail investor* to understand the differences.

RELATIONSHIPS AND SERVICES

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

CONVERSATION STARTERS

YOU SHOULD ASK YOUR BROKER “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 RELATIVE EXPERIENCE, INCLUDING YOUR LICENSES, EDUCATION AND OTHER QUALIFICATIONS? WHAT DO THESE QUALIFICATIONS MEAN?”

When you open a brokerage account, our clearing firm (Stone X) will act as your custodian and safeguard your account and assets. We act on your instructions to place orders for your account. There are no account minimums to open or maintain accounts. Our broker-dealer services include entering your orders, both solicited and unsolicited, assisting with forms required for maintaining your account. Our clearing firm handles margin lending, execution of orders; cash sweep programs and custody of your assets. We may provide a recommendation on a particular security or strategy which is specific to you at that time, when we make these recommendations, you can follow or decline them. It is your choice.

Potential individual securities transactions are identified by our brokers to meet your stated investment objectives. Our recommendations apply only at the time we make them. If you defer action on a recommendation, you should contact us later for an updated recommendation. Our recommendations are based on various factors that change with time so they are only in effect at the time of the recommendation. We try to take care in developing recommendations to you, but securities involve risk and you may lose money. There is no guarantee that a recommended security or strategy will perform as anticipated or your investment goals will be met. Investing involves the risk of losing your investment; certain markets are considered riskier than others (IE., foreign emerging stocks or small cap stocks to name a few). Fixed income risks are interest rates, credit quality and liquidity as examples. Dividends are subject to a company approving payment. Certain methods of investing (using margin) involve risk. Diversification does not ensure profit and does not protect against losses in declining markets. For risks in mutual funds please refer to the fund prospectus or offering document which is available on request and will be delivered to you at time of purchase.

We do not actively manage or monitor accounts. We rely on clients to notify us if changes in objectives occur. PISC has no proprietary products and we receive no other funds other than those which are disclosed on confirmations or offering documents.

FEES, COST, CONFLICTS AND STANDARD OF CONDUCT

WHAT FEES WILL I PAY?

CONVERSATION STARTERS

“HELP ME UNDERSTAND HOW THESE FEES AND COSTS MIGHT AFFECT MY INVESTMENT. IF I GIVE YOU \$10,000 TO INVEST, HOW MUCH WILL GO TO FEES AND COSTS AND HOW MUCH WILL BE INVESTED FOR ME?”

PISC charges commissions on each transaction which are disclosed on your order confirmations which is supplied to you by our clearing firm. A retail investor would be charged more when there are more trades in their account and the firm may have an incentive to encourage a retail investor to trade often. We receive commissions on mutual fund purchases (application way) which are disclosed in the mutual fund prospectus provided to you at time of purchase by PISC and the fund. We also receive service fees (12b-1) which are disclosed in the fund prospectus. 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. Here are some examples of what this means. If you invest \$10000 dollars and pay a 5% fee, the amount invested will be \$9500. If you invest in a Mutual Fund, the fund will have break points based upon the amount invested and type of share purchased. Please ask the broker to explain this to you.

PISC receives interest on a 90 day CD which rolls over every 90 days. We receive 12b-1 fees from mutual funds; said fees are disclosed in the mutual fund prospectus. Our clearing firm will assess fees which will be recorded on your statement; those fees will be disclosed to you when an account is opened and as amended by our clearing broker.

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?

“HOW MIGHT YOUR CONFLICTS OF INTEREST AFFECT ME AND HOW WILL YOU ADDRESS THEM?”

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 interest. 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. When you trade, there is a potential conflict of interest: the more trades made, the more commission payments the Firm makes and the more its financial professionals earn as compensation. We are charged clearing fees for your trades and these are included in your commissions that are charged on your transactions. We have no other conflict of interest. You can obtain more detailed information about fees by contacting us by phone (503)699-0618 or writing to PISC at PO Box 946, Lake Oswego, OR 97034

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

PISC and our representatives are compensated from a portion of the above-mentioned commissions or fees. They receive no other compensation. This includes non-cash compensation. Representatives put a disclosed commission on securities transactions that they feel is appropriate. Representatives take into account cost of execution, amount invested and number of transactions as well as the complexity when arriving at an appropriate commission. No other factors are considered by the firm.

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

YES
A free and simple search tool is available for investors to research your financial professional's disciplinary history on INVESTOR.GOV/CRS.

ADDITIONAL INFORMATION

CONVERSION STARTER

“WHO IS MY PRIMARY CONTACT PERSON? IS HE OR SHE A REPRESENTATIVE OF THE BROKER DEALER? WHO CAN I TALK TO IF I HAVE CONCERNS ABOUT HOW THIS PERSON IS TREATING ME?”

RETAIL INVESTORS MAY REQUEST AN UP-TO-DATE COPY OF THIS RELATIONSHIP SUMMARY AND THE FIRMS BROKERAGE SERVICES BY CALLING OUR OFFICE AT 503-699-0618 OR BY WRITING TO US AT PO BOX 946, LAKE OSWEGO, OREGON, 97034.