

Is A Brokerage Account Right For You?

11/29/2021

Introduction.

Senate Securities is a broker-dealer registered with the Security & Exchange Commission. We provide brokerage accounts and services rather than advisory accounts and services. It is important to understand the difference between brokerage and investment advisory services.

What investment services and advice can you provide me?

- If you open a brokerage account, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy or sell an investment.
- You may select investments or we may recommend investments for your account, but the ultimate investment decision as to your investment strategy and the purchase or sale of investments will be yours. We are not required to monitor your portfolio or investments on an ongoing basis.
- We offer a limited selection of investments. Other firms could offer a wider range of choices, some of which might have lower costs.

Conversation Starters. Below are some questions you may want to ask your Broker-dealer regarding relationships and services:

- ▶ What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?
- ▶ Given my financial situation, should I choose a brokerage service? Why or why not?
- ▶ How will you choose investments to recommend to me?

What fees will I pay?

- The transaction-based fee you pay is based on the specific transaction and not the value of your account. The fee (called a commission) is based on the dollar amount of the transaction. For the specific fees, please contact us for the Fee Schedule.
- With stocks, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a “mark-up” or “mark down”). With mutual funds, this fee (typically called a “load”) reduces the value of your investment.
- Our fees vary. The amount you pay will depend, for example, on how much you buy or sell and what type of investment you buy or sell.
- 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.

Conversation Starters. Below is an example of a question you may want to ask your Broker-dealer regarding fees:

- ▶ 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 must abide by certain laws and regulations in our interactions with you.
- 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 interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you.

Conversation Starters. Below is an example of a question you may want to ask your Broker-dealer regarding conflicts of interest:

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

How do your financial professionals make money?

- We make money through trades. We do not benefit from our recommendations to you. The investments you buy and sell do not benefit us beyond the fee we collect.
- The more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.

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

- We have no legal or disciplinary history.
- Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS.

Conversation Starters. Below is an example of a question you may want to ask your Broker-dealer regarding their disciplinary history:

- ▶ As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information.

- If you have a problem with your investments, account or financial professional, contact us in writing at Senate Securities, 108 North Front Street, Kingston, NY 12401. To report a problem to the SEC, visit Investor.gov or call the SEC's toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, visit <https://www.finra.org/investors/have-problem/file-complaint/complaint-center>.

Conversation Starters. Below is an example of a question you may want to ask your Broker-dealer regarding how to get further information / report an issue/concern:

- ▶ 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?