

June 30, 2020

# Customer Relationship Summary

Helping you make an informed decision

Form CRS

*Waterford Capital Inc. is registered with FINRA (Financial Industry Regulatory Authority) as a broker-dealer. Brokerage and investment advisory services and fees differ and that 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 [Investors.gov/CRS](https://www.investors.gov/crs), which also provides educational materials about broker-dealers, investments advisors, and investing.*

## What Investment Services and Advice Can You Provide Me?

- If you open a brokerage account, you will pay a transaction-based fee, generally referred to as a commission, every time you buy or sell an investment.
- We utilize Hilltop Securities Inc. as our sole brokerage custodian.
- We offer traditional brokerage services as introducing broker through Hilltop Securities Inc. utilizing Hilltop Securities Inc. clearing services.
- You may select investments, or we may recommend investments for your account, but the ultimate investment decision for your investment strategy and the purchase or sale of investments will be yours. You will receive confirmations of all transactions and monthly statements of all assets held by our custodian.
- We do not make available or offer advice with respect to proprietary products.
- We offer ongoing monthly/quarterly monitoring in brokerage accounts. This service is offered as part of our standard services. We do not have a minimum balance for new accounts.
- We are well versed in structured finance products and are ready to assist you in several product areas, including Private Placements, Warehouse Facilities, Financial Advisory, and Whole Loan Trading. Please visit [www.waterfordcapital.com](https://www.waterfordcapital.com) for further details.

*Conversation starters: 1. Given my financial situation, should I choose a brokerage service? Why or why not? 2. How will you choose investments to recommend to me? 3. What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

## What Fees Will I Pay?

- Transaction-based fees. You will pay us a fee every time you buy or sell an investment. This fee, commonly referred to as a commission, is based on the specific transaction and not the value of your account. With stocks or exchanged-traded funds, 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. This fee is called “mark-up” or “mark-down”. With mutual funds, this fee, typically called a “load”, reduces the value of your investment. Some mutual funds impose additional

internal fees that will reduce the value of your investment over time. Mutual funds may impose a “surrender charge” or deferred sales charges to sell the investment.

- Our commissions are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us.
- Our clearing firm, Hilltop Securities, charges additional fees, such as custodial fees, transfer fees, account maintenance fees, wire transfer fees, and account inactivity fees which are assessed annually or at the time the triggering event occurs (such as when you transfer securities.)
- The more trades in your account, the more fees we charge you. We therefore, have an incentive to encourage you to trade often.
- You will pay fees and costs whether you make or lose money on your investments. Fees and cost 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. Please see our Regulation Best Interest disclosure at [www.waterfordcapital.com](http://www.waterfordcapital.com).

*Conversation Starter: 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 what conflicts of interest do you have?**

*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.*

Example of Ways We Make Money and Conflicts of Interest-We may be compensated if there are sufficient funds left in the administration fees from private placements.

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

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

Our financial professionals receive a percentage of the brokerage commissions and product trailing fees generated by assets for which they are the broker of record. Brokerage commissions and product trailing fees vary widely from product to product.

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

Yes. We have disciplinary history. Visit [Investor.gov](http://Investor.gov) for a free tool to research the background and experience of us and our financial professionals.

*Conversation Starter: As a financial professional, do you have any disciplinary history? For what type of conduct?*

**Where can I find additional information?**

You can always ask your financial professional for more information, request a copy of this relationship summary at 214-363-6920, visit [brokercheck.finra.org](http://brokercheck.finra.org) for information about your financial professional.

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