

# MONTICELLO FINANCIAL GROUP, LLC.

## FORM CRS - CUSTOMER RELATIONSHIP SUMMARY

Monticello Financial Group, L.L.C. (MFG) is registered with the Securities & Exchange Commission as a broker-dealer. Monticello is a member of the Financial Industry Regulatory Authority, Inc. (FINRA) and the Securities Investor Corporation (SIPC).

Brokerage and investment advisory services and fees differ; it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/> and <https://brokercheck.finra.org/> that also provides educational materials about broker-dealers, investment advisers, and investing.

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

- Our principal services include direct application-way business in variable annuities and mutual funds held directly with the product sponsor. The costs for these services are determined by the product sponsor. We do not charge a fee in addition to the carrier or issuer fee. MFG may only sell or service:
  - Annuities - Variable, Fixed, Indexed or Structured Combinations
  - Mutual Funds
- MFG does not offer any proprietary products.
- There are no minimum account size or minimum investment requirements for opening an account through MFG; however, we may recommend some investments that may require a minimum investment amount.
- We do not provide ongoing monitoring of your account; however, our financial professionals may voluntarily review your account periodically for purposes of providing buy, sell or hold recommendations.
- We may recommend investments, or you may select them, but the ultimate decision regarding an investment strategy or the purchase or sale of an investment will be yours. MFG has no discretionary authority over your accounts.
- It is important to understand our products and services are limited as there are other investment products that we do not offer that may benefit your portfolio.

### *Here are some questions you can ask to start a conversation with your financial professional:*

- *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 relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

### WHAT FEES WILL I PAY?

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.

- For variable annuities and variable insurance products, the product issuer generally pays a commission to MFG based on deposits into your annuity or insurance product. There are ongoing fees such as internal management fees, operating expenses, and mortality and expense (M&E) charges.
  - These fees are determined by the insurance carrier, not MFG.
- Annuities may also charge you direct fees based on actions you take, such as deferred sales charges (CDSC or surrender charges) for withdrawals made in excess of contract limits, and redemption fees, that may reduce the value of your investment.
  - These fees are determined by the insurance carrier, not MFG.
- Many annuities also offer contract enhancements, called a rider, for an additional fee. The enhancement often includes guarantees, ***based on the claims-paying ability of the insurance company***, regarding the amounts and timing of income payments from your investment, and/or guarantees regarding the amounts and payment of death benefits.
  - These fees are paid throughout the life of the contract, whether they are used or not, and may reduce the value of your investment.
- With mutual funds, a fee typically called a load (charged at time of deposit, time of withdrawal or annually) may reduce the value of your investment. For many mutual funds, there are ongoing fees (such as management fees and operating expenses charges) built into the cost of the product that you pay indirectly to the product issuer. The product issuer in turn may pay MFG part of these fees as an ongoing commission, such as “trails” or a “12b-1 fee”.
  - These fees are determined by the mutual fund company, not MFG.
- MFG does not charge you additional fees such as custodian fees, account maintenance fees, or account inactivity fees.
- ***For further information please refer to the product prospectus.***

### *Here are some questions you can ask to start a conversation with your 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?*

**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?**

**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. Here is an example to help you understand what this means:

- Commission schedules vary between investment companies. We could have a conflict when recommending investment products with similar benefits but differing commission structures.
- Variable annuities and mutual funds may include continuing payments to us known as a “trail”. We could have an incentive to recommend investment products that include trails, even if other investments available to you have lower costs or may perform better.

**Department of Labor PTE 2020-02 Disclosure for recommended transactions involving employer plans or IRA funds**

When we provide investment advice to you regarding your retirement plan account or individual retirement account (IRA), **we are fiduciaries** within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code (IRS), as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under this special rule.

- We have provided you with information showing why the plan rollover or qualified transfer is in your best interest.
- MFG receives reasonable compensation selling products of the investment company.
  - We do not charge for investment advice and are not a Registered Investment Advisor.
- You may lose benefits offered through the plan or fee-based IRA.

When we recommend transactions involving an employer plan or IRA funds, you should consider and discuss with your financial professional the following alternatives:

- maintaining assets in the current plan (*if permitted*) or current IRA.
- transferring to a new employer’s plan (*if permitted*).
- taking a distribution (*taxes and penalties may apply*).

**Here is a question you can ask to start a conversation with your financial professional:**

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

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

Financial professionals are compensated by sales commissions as determined by the insurance carrier or mutual fund company. Some products pay a higher commission than others; therefore, your financial professional has a conflict of interest to recommend a product that pays higher compensation. This commission will vary based on the type of product and the product issuer. MFG mitigates such conflicts by requiring specific objectives to be met with specific investment features.

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

- Yes. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. For additional information about our brokers visit <https://brokercheck.finra.org/>

**Here is a question you can ask to start a conversation with your financial professional:**

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

**ADDITIONAL INFORMATION**

- You may request a copy of the Form CRS Relationship Summary by contacting your investment professional or MFG at (903) 573-7979.

**Here are some questions you can ask to start a conversation with your financial professional:**

- Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?

**DELIVERY ATTESTATION SIGNATURES**

By signing below, you attest you have received this Form CRS as of the date you indicate below. This record will be retained by Monticello Financial Group LLC as proof of delivery for regulatory purposes.

Client Name

Client Signature

Date Received

Co-Client Name

Co-Client Signature

Date Received