

Form CRS Customer Relationship Summary

October 2024

Introduction

Brighton Securities Corp. is registered with the Securities and Exchange Commission (SEC) both as a Registered Investment Advisor and as a Broker-Dealer. As a Broker-Dealer, we are also a member of Financial Industry Regulatory Authority (FINRA) (which regulates us and other Broker-Dealers) and the Securities Investor Protection Corporation (SIPC).

Brokerage and advisory services and fees differ, and it is important for the retail investor to understand the differences. There are simple tools available to use at (Investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about Broker-Dealers, Investment advisors and investing.

This relationship summary provides information to help you make an informed decision about whether or not to invest with a registered representative and/or investment advisor associated with Brighton Securities and will answer the following questions:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are your legal obligations to me when providing recommendations as my broker-dealer, or when acting as my investment advisor? How else does the firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?
- Where can I find additional information?

Terms to know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment advisor** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.
- A **trusted contact person** is a person you may designate to receive communication from us, if we are concerned about possible fraud on your account, and to confirm certain information about you from time to time, including your contact information, health status, and identity of legal guardians, trustees, and holders of power of attorney from you.

What investment services and advice can you provide me?

Brighton Securities offers brokerage and investment advisory services to individual retail investors, trusts, estates, small businesses and 401(k) plans. There are two different ways Brighton Securities helps our clients with their investments, you should carefully consider which type of services are right for you and your situation. Depending on your needs and investment objectives, Brighton Securities can provide services in a brokerage account, investment advisory account, or a strategy that employs a mix of both brokerage and investment advisory accounts.

Brokerage Services

In a brokerage account, Brighton Securities charges a transaction-based fee every time you buy or sell a mutual fund, equity, stock, bond, exchange traded funds, option contract, real estate investment trust, or certificates of deposit investment. While Brighton Securities may recommend investments the ultimate decision for your investment strategy in a brokerage account is your own.

Investment Advisory Services

In an advisory account, Brighton Securities charges an ongoing asset-based fee for our services, which includes providing investment advice on an ongoing basis. Through personal discussions in which your goals and objectives based on your circumstances are established, we develop a personal investment policy for you and create and manage a portfolio based on that policy. We provide financial planning, estate planning, portfolio management, college saving and tax planning services (included in the fee) to our advisory clients.

Monitoring: We do not generally monitor our clients' accounts on an ongoing or periodic basis in brokerage accounts. If you are an advisory client and request that we monitor your accounts with us, so that we can review your accounts in connection with market changes, life situation changes or for unusual activity, we may agree to do so. If we agree to monitor your accounts, we will agree to a plan in writing informing you how often we do so, and what, if any, additional fees we will charge. Even if we have not been asked to monitor your accounts, if we notice something unusual, we will try to notify you or your trusted contact person.

Investment Authority: Brighton Securities offers our services on both a non-discretionary (clients decide which investments to buy and/or sell) and discretionary (allows Brighton Securities to buy and sell investments in client accounts without receiving previous authorization) basis. Discretionary investment advisory services are geared primarily toward individuals, trusts, estates, small businesses and 401(k) plans that wish to have their accounts managed by us.

Limited Investment Offerings: Brighton Securities offers a wide range of investment offerings, including mutual funds, equities, bonds, exchange traded funds, option contracts, real estate investment trusts, and certificates of deposit investments. Obviously, we may not have access to every possible investment, nor could we expect to monitor all possible available investment options for our clients. We, therefore, focus our attention on the offerings most likely to be useful to our clients. Certain investments are only available to certain types of clients, and we may not be able to offer those investments to you, even if you are interested in investing in them.

Account Minimums and Other Requirements: Brighton Securities does not set account minimums, certain investments and products offered by third party vendors do, so depending on the size and type (brokerage or advisory) of account and your investment strategies, you may not be able to participate in all investment offerings available through Brighton Securities and its third-party partners. You may open an investment account with us in any amount and we will continue to maintain it if it has a positive balance. If your account with us is too low for us to provide our services on a reasonable basis – in your best interests – we may recommend that you transfer your investments away from Brighton Securities.

Additional Information: You can find more detailed information about our brokerage services in our Regulation Best Interests Disclosure (brightonsecurities.com/disclosures). You can find more detailed information about our advisory services in Item 4 of our Firm Brochure (ADV Part IIA) (brightonsecurities.com/disclosures) and about the types of clients we serve in Item 7 of our Firm Brochure (ADV Part IIA) (brightonsecurities.com/disclosures). You are also welcome to call us at 585-473-3590 or visit our website (brightonsecurities.com).

Conversation Starters – Questions you might wish to ask when considering our services:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

Brokerage Service Fees are transaction-based fees investors pay every time they 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. This fee can be charged in many ways, including as a separate and distinct fee, included as a part of the purchase of the security, or in the case of mutual funds as an embedded cost of the fund. Some investments, such as variable annuities, may impose additional fees that will reduce the value of the investment over time. In addition, investors may have to pay additional fees, such as a surrender charge, when you sell certain types of investments. We may charge you additional fees, disclosed in your account agreement and in an annual mailing. Commissions may be based upon the size of the trade and are charged on a per trade basis, thus if you make frequent trades in your brokerage account, you will tend to pay higher fees than a client who trades infrequently. Consequently, from a cost perspective, it may or

may not be beneficial to you to incur a transaction-based fee based on the frequency of trading in your account and whether or not you buy and hold.

Investment Advisory Services are ongoing fees paid in regular periods based on the total value of the advisory account (inclusive of both cash and investments). This fee will be deducted quarterly in advance from your account (or a check can be sent in) and will reduce the value of your account when incurred. Fees assessed by Brighton Securities are in addition to fees that may be charged by a mutual fund or custodian for certain account services. Brighton Securities' fees are negotiable, ranging from 0.5% to 3%, determined on a client-by-client basis. The amount you pay will depend on the services you want and the amount of assets in your account. If you participate in separately managed account programs, you may be charged various program fees in addition to the advisory fee we charge. Such fees may include the investment advisory fees of an independent third-party advisor, as part of a wrap fee arrangement.

In addition to advisory fees, our clients may also be responsible for the fees and expenses charged by custodians and imposed by broker dealers, including but not limited to any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for your accounts.

Depending on the types of advisory services you select, we might charge you on an hourly basis or a fixed fee. We will inform you about such alternative fee arrangements prior to your incurring them.

Additional Information: You can find more detailed information about our brokerage services fees and commissions in our Regulation Best Interests Disclosure at (brightonsecurities.com/disclosures). You can find more detailed information about our advisory services fees in Items 5 and 6 of our Firm Brochure (ADV Part IIA) (brightonsecurities.com/disclosures). **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money clients make on their investments over time. Please make sure you understand what fees and costs you are paying.**

Conversation Starters – Questions you might wish to ask when considering our services:

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

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment advisor? How else does the firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker/dealer or act as your investment advisor, 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 and investment advice we provide you. Here are some examples to help you understand what this means.

Standard of Conduct

- Conflicts can arise when brokerage compensation is variable. In other words, there is an economic incentive on our part to recommend a solution that generates greater compensation than another solution available to our clients. In recommending commission products such as Mutual Funds, Annuities, Closed End Funds, Unit Investment Trusts, Partnerships, Real Estate Investments, Private Placements, etc., such conflicts can be prevalent. Brighton Securities is compensated only if our clients act based on our recommendation, and our compensation may increase with the amount of the transaction. Our rate of compensation may vary within the same type of investments. For instance, one growth mutual fund may pay a dealer concession of 5% while another may pay only 2% on the same amount of investment, creating the incentive to receive the higher concession.
- In a brokerage account, the more often you make trades, the more money we and our brokerage representatives earn. This causes a conflict of interest when managing brokerage accounts - a desire that you trade more frequently.
- In connection with advisory services, our compensation is a negotiated percentage of the total assets under management (AUM) in client accounts. When we choose a client's investment lineup on a discretionary or non-

discretionary basis, or alternatively use third party money managers who choose an investment lineup for our clients, the fees and expenses charged on particular products can vary causing our net compensation to vary as well depending on the program that a client selects with their advisor, even though the total fee collected may be the same. This may create an incentive for an advisor to recommend an option that yields higher net compensation to Brighton Securities, even if it may not affect the cost of the solution to our clients.

- Because advisory fees are calculated on a percentage basis, as a general rule, the greater the amount under our management the more we earn - at certain amounts, the percentages are reduced, but within an investment band, the fees paid are greater, the more you have under management. This fee structure incentivizes us to hold more of your investments through Brighton Securities.

Brighton Securities does not strive to be the lowest cost provider for all investment products, and we believe that we provide a service to our clients that at times results in a fee or commission higher than other broker-dealers.

We remain vigilant about the existence of conflicts of interest. Conflicts of interest in financial services may be unavoidable as Brighton Securities pursues a broad array of financial solutions for our customers. In compliance with the law, we do not create contests or quotas that reward advisors based on fees or commissions charged to clients, and we do not create incentives for any specific product or services. In addition, Brighton Securities does not sell proprietary products. Our advisors and registered representatives work in the best interest of our clients. We do this for every client and every account.

Additional Information: You can find more detailed information about conflicts of interest that may arise in our brokerage services in our Regulation Best Interests Disclosure (brightonsecurities.com/disclosures). We disclose our conflicts of interest that may arise in our advisory services on a case-by-case basis in accordance with our Code of Ethics, as described in Item 11 of our Firm Brochure (ADV Part IIA) (brightonsecurities.com/disclosures).

Conversation Starters – Questions you might wish to ask when considering our services:

- How might your conflicts of interest affect me, and how will you address them?
- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?

How do your financial professionals make money?

Our financial professionals are compensated through a combination of salary and are based on a percentage of the fees charged to our clients or commissions received. In addition, our financial professionals may be provided a standard package of benefits including health insurance and a 401k match and profit share. Our financial professionals' compensation is negotiated by us and them and may reflect seniority, experience, management responsibilities, the types of clients they manage, the complexity of the services they offer and other factors. Our financial professionals may experience conflicts of interest that arise from the compensation model. For example, a client with stable, long-term plans and significant assets under management may be more attractive as a client than a client who generates less income through frequent smaller trades. We and our financial professionals try to identify all such conflicts of interest and minimize them to the extent possible, in order to work in the best interests of our clients at all times.

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

Yes. For information, you may go to <https://www.investor.gov/CRS>, input "Brighton Securities" and click on "Get Details" either under "Brokerage Firm" or "Investment Adviser Firm" – they will take you BrokerCheck, and our Form ADV or, SEC Summary Report respectively, where you can review disclosures.

Where can I find additional information?

You can always ask your Brighton Securities financial advisor for more information and request a copy of this relationship summary. We also welcome your call at 585-473-3590 or a visit to our offices in Rochester, Batavia or Lockport.