

Form CRS Disclosure for Brokerage Firms

30 June 2020

Coldstream Securities, Inc., is a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Brokerage and investment advisory services and fees differ, and it is important for you, our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This document is a summary of the services and fees we offer to "retail" investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

What investment services and advice can you provide me?

We offer the following limited brokerage services to retail investors: advice and recommendations, including buying and selling securities in the following limited product lines: retail mutual funds; municipal 529 plans; variable life insurance or annuities, and; private placement securities.

Account Monitoring. Your portfolio is managed on a regular and ongoing basis, based on your situation, risk tolerance, and investment objectives, including adhering to any investment restrictions imposed by you. We typically meet with you at least annually to review progress and your expectations for your portfolio.

Investment Authority. We offer **non-discretionary** services only, and *you will ultimately decide* which investments to buy, sell, or hold for your account. You have an unrestricted right to decline to implement any advice provided by us on a non-discretionary basis.

At all times, you retain the authority to provide us with direction regarding investments, including limitations on the types of securities and the timing of transactions. You must provide investment guidelines and restrictions to us in writing; you are also free to change/amend these limitations at any time by subsequently writing to us.

Investment Offerings. We provide advice on various types of investments. Our services are not limited to a specific type of investment or product.

Account Minimums and Requirements. In general, we do not require a minimum dollar amount to open and maintain a brokerage account.

Key Questions to Ask 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?

The following summarizes the principal fees and costs associated with engaging our firm for brokerage services.

- Transaction Based Fees - Transaction charges when purchasing or selling securities are paid at the time of purchase or sale. Since the fees we receive are transaction-based (i.e., based on the number of trades executed for your account), we have an incentive to increase trading activity in your account(s) which creates a conflict;
- Clients also may pay additional fees and/or expenses. Examples of the most common fees and costs applicable to our brokerage clients are - Commission fees and sales loads related to mutual funds; Variable annuities sales charges, surrender charges (if applicable), administrative fees, sub-account charges, and optional rider fees. Variable annuities that credit you with a bonus on the amount invested generally have higher fees and longer surrender schedules; Custodian fees; Account maintenance fees, and; Other product-level fees associated with your investments.

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.

Key Questions to Ask 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 as your broker-dealer, 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 investment advice we provide you.

Broker representatives can receive brokerage, 529 plan or mutual fund trail commissions (12b-1 marketing distribution fees), or annuity fees from the sale of securities through CSI. Insurance licensed Coldstream employees may also receive compensation for insurance products or services that are sold to clients through our insurance entity affiliates CHI Life Insurance ("CHILI") and Fit Insurance (property & casualty insurance) or third-party insurance providers.

This presents a conflict of interest as it provides an incentive to recommend investment products based on the compensation to be received rather than on your needs.

Most of our brokerage representatives are dually-licensed financial professionals with our affiliated investment advisory entity, Coldstream Wealth Management ("CWM"). This may present a conflict of interest to refer you for additional services. For detailed information on this affiliate, refer to the CWM Form ADV Part 2A by clicking this link:

<https://adviserinfo.sec.gov/firm/brochure/108805>. For the CWM Form CRS, click this link:

<https://www.coldstream.com/Form-CRS-RIA-CCMI.pdf>.

Key Questions to Ask Your Financial Professional

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

How do your financial professionals make money?

The financial professional servicing your account(s) is primarily compensated through salary and bonus, plus variable compensation based on commissions and fees related to product sales to you, which can create a conflict of interest.

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

Yes, our firm has a disclosure item. Check the background of Coldstream Securities, Inc. and our brokerage representatives on FINRA's BrokerCheck by clicking this link: <https://brokercheck.finra.org/firm/summary/46835>. Our financial professionals currently do not have any legal or disciplinary history to disclose. Visit [Investor.gov/CRS](https://investor.gov/CRS) for additional free and simple research tools.

Key Questions to Ask Your Financial Professional

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

You can find additional information about our brokerage services and request a copy of the relationship summary at 425.283.1600. For more detailed Reg BI disclosures on our products and services regarding mutual fund sales, variable annuity sales, municipal 529 plans, private placements, or IRA rollovers, please request them from your representative, if you do not receive them prior to a transaction or account opening.

Key Questions to Ask Your Financial Professional

- *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?*