

Summary of Changes to the Form CRS  
Of  
Preferred Client Group, Inc.

Preferred Client Group, Inc. (“PCG,” “our,” or “we”) is required to update its Form CRS (“Customer Relationship Summary”) when information in the Form is materially changed. This exhibit summarizes the material changes to our Form CRS since the date of its last update on October 13, 2020.

In general, we have completely updated our Form CRS to comply with regulatory requirements. We have updated all the headers and provided additional explanatory and supplemental information, including but not limited to “conversational starters” in all sections.

All clients are encouraged to review the attached copy of the Form CRS in its entirety.

PCG’s President and Chief Compliance Officer, James Gaberino, is available to address any questions that a client or prospective client may have regarding the above changes or any other issue pertaining to this amended Form CRS.

# PREFERRED CLIENT GROUP, INC.

## FORM CRS RELATIONSHIP SUMMARY

### 1. INTRODUCTION

Preferred Client Group, Inc. ("PCG") is registered with the Securities & Exchange Commission as a broker-dealer, a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). We are a broker-dealer and provide brokerage accounts and services rather than investment advisory accounts and services. **Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at: [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.**

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

We offer brokerage services, which consist primarily of buying and selling securities for retail customers. 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 can offer many different types of brokerage accounts. We do not offer account monitoring as a service, but our financial professionals may voluntarily monitor customer accounts. We do accept limited discretionary authority to trade in customer accounts through a Trading Authorization Agreement subject to customer written authorization and management approval. The investments we offer may be limited due to licensing requirements or other regulatory limits. Other firms could offer a wider range of choices, some of which might have lower costs. We do not impose minimum account size or investment amount to open or maintain an account or establish a relationship.

#### **Questions to ask:**

- *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?*

### 3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

#### **3A. What Fees Will I Pay?**

The fee you pay is based on the specific transaction and not the value of your account. The principal fees and costs are transaction-based fees for recommendations and execution of securities trades. Depending on the investment product you select, these fees can include up-front commissions, as well as fees that are charged on an on-going basis for as long as you hold the investment ("trails"). If we buy a security from you, or sell a security to you for our own account (as "principal"), we may mark the price up or down, which is a benefit to us. Because we are compensated for transactions, we have an incentive to encourage you to trade more frequently and in greater amounts, and to trade with us as principal because we receive more revenue when you do so. You will also pay fees for custodial or administrative services, as well as fees and expenses that are included in the expense ratios of certain of your investments, including in mutual funds, ETFs, and variable annuities. For additional information about the fees and costs for our brokerage services, please see our commission schedule which you may obtain from your registered representative or at our office. We have hard copies available. 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.

#### **Questions to ask:**

*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?*

### 3B. 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 must 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 are some examples to help you understand what this means.

#### Examples of Ways We Make Money and Conflicts of Interest

- ☐ **Revenue Sharing:** Many product issuers and other third parties, such as our clearing firm, share with us a part of the revenue that they earn on your investments or brokerage accounts, including payments from our clearing firm in connection with the cash sweep options offered. These payments incentivize us to offer or continue offering their products and services and to encourage you to increase the amount of your invested assets. Our financial professionals do not share in this revenue.
- ☐ **Transaction-Based Compensation.** Because we are paid each time you trade in your account or make a new investment, we have an incentive to encourage you to trade often and make additional investments.
- ☐ **Third-Party Payments:** We receive payments from third party product sponsors and managers (or their affiliates) when we recommend or sell certain products. As such, we have an incentive to recommend (or to invest your assets in) products of third parties that pay us over products of third parties that do not pay us, or pay us less.

#### **Questions to ask:**

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

### 3C. How do your financial professionals make money?

Registered representatives receive a percentage of commissions, sales loads, and contingent deferred sales charges generated by the products they sell. Each representative has a commission schedule. Please ask your representative to discuss, in detail, their commission schedule. Some products may pay a commission higher than others. As such, registered representatives have an incentive to sell higher commission products.

#### 4. 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 and services, visit <https://brokercheck.finra.org/>, or you may call us at 214-520-0832 where you can request additional information.

#### **Questions to ask:**

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

#### 5. ADDITIONAL INFORMATION

#### **Questions to ask:**

*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?*

You may request a copy of the Form CRS Relationship Summary by contacting your investment professional. You may also contact us at 214-520-0832 for a copy or to request up-to-date information.