



## Regulation Best Interest Disclosure

This guide summarizes information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, we would like to remind you that we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker dealer, and a FINRA/SIPC member, providing brokerage services. We also provide investment advisory services. Our brokerage services are the focus of this guide. For additional information, please also refer to our [Customer Relationship Summary](#) (CRS). Form CRS contains important information about the types of services we offer along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information. For information on the investment advisory services offered through [DMK Advisor Group, Inc.](#) and how they differ from brokerage, please review the Form CRS.

Please carefully review and consider the information in each section below.

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## Brokerage services

When you establish a brokerage account through us at our clearing firm National Financial Services, Inc. (“NFS”), you have the ability to buy, sell and hold investments within your account. The primary service we provide is our trading capability. We execute purchases and sales on your behalf, and as directed by you. In a brokerage, services relationship we can trade with you for our own account, for an affiliate or for another client, and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation. We charge a commission and a transaction fee for trades we execute on your behalf.

We also are able to offer application-based brokerage services such as accounts held directly with mutual fund companies, variable annuities and subscription based investments, such as Reg D offerings and 1031 exchanges.

### Cash Brokerage and Margin Brokerage Accounts

We provide brokerage services through a cash brokerage accounts and margin accounts, when appropriate. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firm, NFS. This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned you is secured by securities in your account, also referred to as “collateral.” You will incur interest

costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, contact a Financial Professional (“FP”) or refer to the clearing firm’s [Margin Disclosure Statement](#).

### **Brokerage Account Types**

We offer many different brokerage account types including individual and joint accounts, estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s). You should refer to the clearing firm’s account agreement(s) for more information concerning available account types or speak with a FP.

### **Incidental Brokerage Services, Recommendations and Account Monitoring**

It is important for you to understand that when our Financial Professionals make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a Financial Professional about whether an advisory services relationship is more appropriate for you. For active account management a fee-based account is recommended which includes a fiduciary obligation on the part of your investment advisor.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

### **Clearing Services**

We have entered into an agreement with NFS (also referred to herein as “Clearing Agent”) to carry your account and provide certain back office functions. We and the clearing firm share responsibilities with respect to your account as set forth in the Designation of Responsibilities that was delivered to you upon opening of your account. Please refer to the Designation of Responsibilities for more information on how such responsibilities have been allocated between us.

### **Understanding Risk**

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your “risk tolerance,” meaning the

amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs.

Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum, with “Income” investors typically holding the smallest percentage of higher- risk investments, followed by “Growth and Income” investors holding *some* higher-risk investments, and finally “Growth” investors holding a significant portion of their portfolio in higher-risk investments. Risk tolerance also varies and we measure it on a continuum that increases from “Conservative” to “Moderate” to “Aggressive,” and finally “Trading and Speculation.” See the chart below for details.

Investment Objective	Investment Objective Description	Risk Tolerance	Risk Tolerance Definition
Income	Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.	Conservative	Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected income returns.
		Moderate	Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
		Aggressive	Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.
Growth & Income	Growth and Income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.	Conservative	Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns.
		Moderate	Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.
		Aggressive	Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.
Growth	Growth portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.	Conservative	Conservative Growth investors generally assume a lower amount of risk, but may still experience increased losses or have lower expected growth returns.
		Moderate	Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.
		Aggressive	Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.
Trading and Speculation	Trading and Speculation investors seek out a maximum return through a broad range of investment strategies which generally involve a high level of risk, including the potential for unlimited loss of investment capital.		

Our recommendations are based in part on your risk tolerance and investment objective as outlined above. We encourage you to carefully consider your investment objective and risk tolerance before investing.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Customers are reminded to discuss these risks with your Financial Professional.**

### **Cash Sweep Program Feature**

Our brokerage services include a Cash Sweep Program feature. This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically “swept” into a “Cash Sweep Vehicle,” until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. You will receive additional information concerning the Cash Sweep Program in your account agreement(s). More information about the Cash Sweep Program can be found in the [Cash Sweep Program Disclosure Statement](#). Please review that Disclosure Statement carefully.

### **Account Minimums and Activity Requirements**

Our broker dealer requires a minimum of \$1,000 to open a brokerage account. Some our financial professionals may have higher minimums. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts may have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive upon opening your brokerage account.

You should also understand that our Financial Professionals may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated Financial Professional may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your Financial Professional.

## **Brokerage service models and products**

### **Equities**

DMK is a broker/dealer offering access to the equity markets, both listed and over-the-counter (“OTC”) securities.

“Listed” stock refers to stock or shares of a company that are traded on a stock exchange. Companies must pay fees to be listed and adhere to the rules and regulations of the registered securities exchange in order to be listed on that exchange. OTC refers to the process of how securities are traded for companies that are not listed on a formal stock exchange, such as the New York Stock Exchange (NYSE). Securities that are traded over-the-counter are traded via a broker/dealer network as opposed to on a centralized exchange. These securities do not meet the requirements to have a listing on a standard market exchange.

### **Fixed Income**

DMK is a broker or dealer, underwriter or selling group member, and offers access to the debt markets including, but not limited to, municipal securities, corporate securities, and U.S. government securities.

Fixed income securities are a type of debt instrument that provides returns in the form of regular, or fixed, interest payments and repayments of the principal when the security reaches maturity. The instruments are issued by governments, corporations, and other entities to finance their operations.

### **Mutual Funds**

DMK offers thousands of mutual funds varying in share class structure and investment style.

A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. Mutual funds are operated by professional money managers, who allocate the fund’s assets and attempt to produce capital

gains or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds.

### **Annuities**

DMK is a broker/dealer selling annuities issued by insurance companies. Annuities consist of fixed, index, and variable annuities.

An annuity is a contract between you and an insurance company in which you make a lump-sum payment or series of payments and, in return, receive regular disbursements, beginning either immediately or at some point in the future. The income you receive from an annuity is taxed at regular income tax rates, not capital gains rates, which are usually lower. The goal of an annuity is to provide a steady stream of income, typically during retirement. Funds accrue on a tax-deferred basis, and like 401(k) contributions, can only be withdrawn without penalty after age 59 ½.

### **Options**

DMK is a put and call broker/dealer and option writer. Options are financial instruments that are based on the value of underlying securities such as stocks. An options contract offers the buyer the opportunity to buy or sell – depending on the type of contract they hold – the underlying asset. “Call options” allow the holder to buy the asset at a stated price within a specific timeframe. “Put options” allow the holder to sell the asset at a stated price within a specific timeframe. Each option contract will have a specific expiration date by which the holder must exercise their option. The stated price on an option is known as the “strike price”.

### **Unit Investment Trusts (UITs)**

DMK UIT product offerings consist of Equity and Fixed-Income UITs.

A unit investment trust (UIT) is a US financial company that buys or holds a group of securities, also known as a portfolio of securities, such as stocks or bonds, and makes them available to investors as redeemable units. UITs are similar to mutual funds in that they consist of collective investments in which many investors combine their funds to be managed by a portfolio manager. UITs are bought and sold directly from the company that issues them or, in some instances, through the secondary market. UITs have a stated expiration date based on what investments are held in its portfolio; when the portfolio terminates investors get their cut of the UITs net assets. Also, unlike mutual funds, UITs are not actively traded, meaning securities in the portfolio are not bought or sold unless there is a change in the underlying investment, such as a corporate merger or bankruptcy.

### **Limited Partnerships**

DMK is a broker/dealer authorized to sell tax shelters or limited partnerships in primary distributions and in the secondary market.

A tax shelter is a vehicle used by individuals or organizations to minimize or decrease their taxable incomes and, therefore, tax liabilities. Tax shelters are legal, and can range from investments or investment accounts that provide favorable tax treatment, to activities or transactions that lower taxable income through deductions or credits. Common examples of tax shelters are employer-sponsored 401(k) retirement plans and municipal bonds.

With the advent of limited partnerships, limited liability partnerships, limited liability limited partnerships, and limited liability companies, there are a myriad of choices available that allow an investor to invest in a partnership and enjoy limited liability. Therefore, passive investing in partnerships and partnership-like entities is now common. An investment contract is, quintessentially, an arrangement where a passive owner invests money with another person who commits to using that money to make a profit for the passive owner.

Clients who invest in Limited Partnerships must meet its suitability requirements for a qualified investor. **Neither DMK Advisor Group, Inc. nor its representatives offer legal or tax advice.**

### **Private Placements**

DMK is a broker/dealer authorized to transact in private placements of securities.

A private placement is a sale of stock shares or bonds to a pre-selected number of individual investors and institutions rather than on the open market. It is an alternative to an initial public offering (IPO) for a company seeking to raise capital for expansion. Private sales are now common for startups as they allow the company to obtain the money they need to grow while delaying or foregoing an IPO. Investors invited to participate in private placement programs include wealthy individual investors, banks and other financial institutions, mutual funds, insurance companies, and pension funds. It is noted that most private placements are illiquid and are considered to be high risk investments

Clients who invest in this product must meet its suitability requirements for a qualified investor. **Neither DMK Advisor Group, Inc. nor its representatives offer legal or tax advice.**

### **Investment Advisory Services**

In addition to offering brokerage services, DMK is a Colorado registered Investment Adviser offering advisory services to clients.

Investment advisers work as professionals within the financial industry by providing advice and active monitoring of investments and accounts to clients in exchange for a fee. Investment advisers owe a fiduciary duty to their clients and are required to put their clients' interest first at all times.

## **Brokerage fees and our compensation**

A brokerage relationship can be a cost-effective way of investing your assets, but it is not for everyone, given the fees and costs involved. Discuss with your investment professional which approach will best fit your financial strategies.

### **Transaction-Based Fees**

You will pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds, annuity contracts, exercising options and other investment purchases and sale. These transaction-based fees are generally referred to as a "commission," "mark up," "sales load," or a "sales charge."

Transaction-based fees are based on a host of factors, including, but not limited to:

- Underlying product selection
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available discounts and/or fee waivers

### **Account and Service Fees**

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. For

more information concerning our administrative and service fees, please refer to your account opening document.

### **How We Are Compensated**

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the respective account. Indirect compensation is compensation paid in ways other than directly from the account and may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents.

### **Financial Professional Schedules**

#### **Commission Schedule for Stocks, Rights, Warrants, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs)**

This schedule below details the commission charged to you and received by us and your Financial Professional for trades of stocks, rights, and warrants.

<b>\$ Amount of Trade</b>	<b>Commission</b>
<b>Up to \$2,500.00</b>	<b>\$50.00</b>
<b>\$2,501.00 - \$9,999.00</b>	<b>4.25%</b>
<b>\$10,000.00 - \$11,999.00</b>	<b>4.00%</b>
<b>\$12,000.00 - \$14,999.00</b>	<b>3.75%</b>
<b>\$15,000.00 - \$29,999.00</b>	<b>3.50%</b>
<b>\$30,000.00 - \$59,000.00</b>	<b>3.00%</b>
<b>\$60,000.00 - \$99,999.00</b>	<b>2.50%</b>
<b>\$100,000.00 - \$200,00.00</b>	<b>1.75%</b>
<b>Over \$200,000.00</b>	<b>Consult Representative</b>

*Trades are charged a \$25.00 transaction fee. Commissions are negotiable.*

### **Option Rates Equity and Index**

Options commissions are calculated at \$12.00 per contract as illustrated below.

#### **Single Option Execution for Options \$1.00 and Greater**

<b># Of Contracts</b>	<b>Price Per Contract</b>	<b>Commission</b>
1	\$12.00	\$12.00
5	\$12.00	\$60.00
10	\$12.00	\$120.00
25	\$12.00	\$300.00

Plus: \$10.00 Transaction Fee

**Multiple Options Executed on the Same Day for Options \$1.00 and Greater**

# Of Contracts	Price Per Contract	Commission
1	\$12.00	\$12.00
5	\$12.00	\$60.00
10	\$12.00	\$120.00
25	\$12.00	\$300.00

Plus: \$10.00 Transaction Fee

**Options Priced Under \$1**

# Of Contracts	Price Per Contract	Commission
1	\$12.00	\$12.00
5	\$12.00	\$60.00
10	\$12.00	\$120.00
25	\$12.00	\$300.00

Plus: \$10.00 Transaction Fee

**Debt Securities**

For debt securities, including preferred securities and CDs, we may apply a charge (i.e., markup) of up, not to exceed 5% of the amount of your secondary market transaction. Additionally, we may incur gains (or losses) on positions we hold in inventory in response to market movements or other events that impact the value of the securities we own.

**Mutual Funds**

We currently offer thousands of mutual funds varying in share class structure and investment style. If you invest in mutual funds in a brokerage capacity, we may receive direct and indirect compensation in connection with such mutual fund investments, as described below. Commission or concession related to the purchase and sale of mutual funds are described in the prospectus and should be carefully reviewed prior to your purchase.

**12b-1/Shareholder Service Fees**

Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These fees are annual, asset-based fees charged by the fund family. These fees range from 0.00% to 1.00%, but the majority of these fees are below 0.85%. These fees may be passed on to us and may in turn be passed on to your Financial Professional as a commission.

**Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)**

Front-end sales charge fees may be charged and paid to us, including your Financial Professional, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of the transaction and rights of accumulation or a Letter of Intent to purchase additional shares, within a certain, specified time. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your Financial Professional if you believe you are eligible for sales charge waivers.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges range from 0.00% to 5.50%. CDSC periods can range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales



charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC is not passed on to your Financial Professional. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund.

### **Annuities**

We are able to offer fixed, index, and variable annuities. Under arrangements with insurance companies, we, including your Financial Professional, receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, which are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier. This compensation is separate from and in addition to compensation for other brokerage services and/or investment advisory services offered through DMK. For information concerning annuity compensation and fees, please refer to each annuity offering prospectus or consult with your advisor.

### **Unit Investment Trusts (UITs)**

Our UITs consist of Equity and Fixed-Income UITs. We, along with your Financial Professionals, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described below and are disclosed via the prospectus issued by the UIT provider. Your Financial Professional can provide you a copy of the most recent prospectus.

The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus.

### **Operational Fees**

There are various operational services provided to you through a brokerage account, most of which are provided and charged by the clearing firm, and some for which we receive compensation. The fee schedule for these services is described in your account opening documents.

### **Compensation for Termination of Services**

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the firm would not receive any additional compensation in connection with the termination of its services. If you have questions or need additional copies, contact your financial professional.

### **Brokerage – Excluded Advisory Assets**

As described above, our brokerage services differ from our advisory services. However, in rare instances we may allow an advisory customer to trade what are referred to as “excluded assets” within their advisory services account. Excluded assets are not subject to our advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

### **Training and Education**

We work closely with many product and service providers who provide training and education compensation to offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our Financial Professionals. These meetings or events are held to educate Financial Professionals on product characteristics, business building ideas, successful sales techniques, suitability as well as various other topics. In addition, certain vendors provide free or discounted research or other vendor products and services, which can assist our Financial Professionals with providing services to the plan.

Likewise, from time to time, product providers will reimburse us for expenses incurred by individual branch offices in connection with conducting training and educational meetings, conferences, or seminars for Financial Professionals and participants. Also, Financial Professionals may receive promotional items, meals or entertainment or other non-cash compensation, not to exceed \$100.00 per year, from product providers.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars or other events gain an opportunity to build relationships with Financial Professionals; these relationships could lead to sales of that particular company's products.

### **Compensation for Termination of Services**

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the firm would not receive any additional compensation in connection with the termination of its services. If you have questions or need additional copies, contact your Financial Professional.

### **Brokerage – Excluded Advisory Assets**

As described above, our brokerage services differ from our affiliate's advisory services. However, in some instances we may allow an advisory client to trade what are referred to as "excluded assets" within their advisory services account. Excluded assets are not subject to our advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

## **Conflicts of Interest**

A conflict of interest could occur when we provide brokerage services to you. A conflict of interest can be created when we engage in a transaction or activity where our interest is materially contrary to your interest. The mere presence of a conflict of interest does not necessarily mean that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our Financial Professionals, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, non-affiliated product providers and money managers, and other third parties as described above. Securities rules allow for us, our Financial Professionals, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our Financial Professionals receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

**Transaction-based conflicts**

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your Financial Professional receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

We constantly review recommendations made by our representatives to ensure that they are suitable and meet your investment profile and financial objectives and to minimize the potential for conflicts.

**Markups and markdowns for principal transactions**

When you buy or sell fixed income securities in a brokerage account, and in accordance with industry regulations, we typically impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

**Account maintenance and other administrative fees**

For the services we provide and the clearing firm provides or makes available to you with respect to your brokerage account, the clearing firm charges certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. We receive a portion of these fees as negotiated with the clearing agent. Refer to the section *Revenue Sharing* below.

**Compensation We Receive from Third Parties**

The compensation that financial professionals receive could create an incentive for them to sell you products or to conduct trades that may not best serve your interests. We are constantly reviewing recommendations made by our representatives to ensure that they are suitable and meet your investment profile and financial objectives and to minimize the potential for conflicts. However, you should understand the following about how your financial professional may be compensated:

Third-party payments we receive are based on new sales of investment products, creating an incentive for us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive for us to recommend that you buy and hold investments (or continue to invest through a third-party manager or adviser).

It is important to note, however, that we monitor accounts with high trading activity to ensure that they are appropriate and not abusive.

The total amount of payments we receive varies from product to product, and varies with respect to the third-party investment management products we recommend. It also is separate from and in addition to the compensation we receive in connection with other products and services made available to you, including advisory services through our Registered Investment Advisory.

We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors, even where it is not paid by the Product Sponsor and not directly from the investment product or other fees you pay. The types of third-party compensation we receive include:

- **Trail Compensation.** Ongoing compensation from Product Sponsors is received by us and shared with our Financial Professionals. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

### **Additional Compensation from Product Sponsors and Other Third Parties**

We and our Financial Professionals, associates, employees, and agents may receive additional compensation from Product Sponsors and other third parties including but not limited to:

- Gifts and awards, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospective clients.
- Payment or reimbursement for the costs associated with education or training events that are attended by our employees, agents, and Financial Professionals, and for conferences and events that we sponsor.
- Reimbursement from Product Sponsors for research and technology-related costs, such as those to build systems, tools, and new features to aid in servicing clients. Additionally, we and our affiliates receive compensation from Product Sponsors to provide aggregate sales data.

**Note:** The amount of these payments is not dependent or related to the level of assets you or any other of our clients invest in or with the Product Sponsor.

### **Product Share Classes**

Some Product Sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us.

### **Compensation Related to Proprietary Products**

We do not offer proprietary products and have no intention of doing so in the future.

### **Compensation Received by Financial Advisors**

The manner in which Financial Professionals are compensated could create incentives for offering products or conducting trading activities that may not be in your best interest. We, as a broker dealer, have capped commissions at a certain level to avoid excess commissions and mitigate these incentives. However, you should still be aware of the ways in which Financial Professionals are typically compensated:

Financial Professionals are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients, including brokerage account activity. This compensation varies by the product or service associated with a brokerage recommendation. In addition to upfront-transaction based compensation, some products feature on-going residual or “trail” payments. Thus, Financial Professionals are incentivized to recommend products that have higher fees as well as those with on-going payments.

Often, a Financial Professional’s commission payout schedule (periodically adjusted by us at our discretion) increases with production and asset levels. The same payout schedule is

reduced when Financial Professionals discount certain client fees and commissions, or client relationship asset levels are below minimums established by the clearing firm or third party. Financial Professionals also may be eligible for *annual or ongoing bonuses and deferred compensation awards based upon a variety of factors that may include reaching certain production levels, tenure with the firm, client product mix, asset gathering, referrals to affiliates or other targets, as well as compliance with our policies and procedures and meeting best business practices.*

As a result, Financial Professionals have an incentive to provide brokerage recommendations that result in selling more investment products and services, as well as investment products and services that carry higher fees. Financial Professionals also have an incentive to provide brokerage recommendations to increase brokerage trading activity, and to reduce the number of discounts available to you.

Financial Professionals have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. Financial Professionals are incentivized to recommend you transition your brokerage services account to an advisory account to generate on-going revenue where your brokerage account has minimal activity. Further, Financial Professionals are incentivized to recommend you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk. Financial Professionals also have an incentive to provide higher levels of service to those clients who generate the most fees.

Noncash compensation is provided to Financial Professionals in the form of education meetings and recognition trips. Portions of these programs is subsidized by external vendors and affiliates, such as mutual fund companies, insurance carriers, or money managers. Consequently, product providers that sponsor and/or participate in education meetings and recognition trips gain opportunities to build relations with Financial Professionals, which could lead to sales of such product provider's products. Financial Professionals also receive promotional items, meals, entertainment, and other noncash compensation from product providers up to \$100 per year for gifts per vendor *and \$1,000 per year for meals per vendor.*

#### **Other Financial Advisor Activities**

Financial Professionals may be motivated to place trades ahead of clients in order to receive more favorable prices than their clients.

Financial Professionals who are transitioning through a succession plan may be incentivized to make brokerage recommendations designed to increase the value of their "book of business" through asset accumulation or brokerage trades that are not in your best interest. Financial Professionals who receive clients from a retiring Financial Professional are incentivized to meet growth goals and may make recommendations not in your best interest.

Internal campaigns and recognition efforts may incentivize Financial Professionals to engage in activities to reach certain goals. We do not offer incentives to new representatives.

## Additional Resources

Title	Web address
Form CRS	<a href="https://www.dmkadvisorgroup.com/Resources.html">https://www.dmkadvisorgroup.com/Resources.html</a>
Legal Disclosures	<a href="https://www.dmkadvisorgroup.com/Resources.html">https://www.dmkadvisorgroup.com/Resources.html</a>
Margin Disclosure	<a href="https://www.dmkadvisorgroup.com/Resources.html">https://www.dmkadvisorgroup.com/Resources.html</a>
Cash Sweep Program	<a href="https://www.dmkadvisorgroup.com/Resources.html">https://www.dmkadvisorgroup.com/Resources.html</a>
FINRA BrokerCheck	<a href="https://brokercheck.finra.org">https://brokercheck.finra.org</a>