

# Client Relationship Summary



## 1. INTRODUCTION

Carty & Company, Inc. is registered with the Securities & Exchange Commission as a broker-dealer that provides brokerage accounts and services. We are a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection 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: [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 are a general Securities Broker/Dealer offering most types of investments to retail investors. Our primary business is in recommending, buying and selling fixed income securities (bonds) on a transactional basis. We do offer other investment products, including stocks, mutual funds and annuities, but not all types or share classes.

- In order to transact business with us, you must open an account to establish a relationship. There is no minimum requirement for opening an account, although some securities require investment minimums.
- We can offer you additional services to assist you in developing and executing your investment strategy and monitoring the performance of your account. We are not required to monitor your portfolio or investments on an ongoing basis and do not offer or charge for account monitoring. **You make the ultimate decision regarding the purchase or sale of any investments we recommend to you.**
- You may find further information at: [www.cartyco.com/individual-clients/](http://www.cartyco.com/individual-clients/)

### *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 on the value of your account.
- With stocks or exchange-traded funds, the fee is usually a separate commission. With other investments, such as bonds, this fee may be part of the price you pay for the investment (called a mark-up or mark-down). With mutual funds, a fee, typically called a load, reduces the value of your investment. Mutual funds also charge annual management fees which vary depending on the fund. With certain investments, such as variable annuities, you may have to pay fees, such as surrender charges, to sell the investment, reducing the value of your investment.
- We may charge you additional fees, if incurred, such as a per transaction confirm and handling fee, annual cost basis fee, custodian fees, account maintenance fees, retirement account maintenance and termination fees, transfer fees, Regulation T extension fees, and account inactivity fees.
- **The more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.**
- **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.**
- You may find further information at: [cartyco.com/wp-content/uploads/2020/06/Account-Fees.pdf](http://cartyco.com/wp-content/uploads/2020/06/Account-Fees.pdf)

### *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 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 are some examples to help you understand what this means.

- We may buy and sell your investment through our own accounts (called “acting as principal”) and we can earn a profit on these trades. *This may create incentives to act against your best interest to generate trading profits or minimize losses.*
- We can make additional compensation by selling you products offered by companies that pay our firm to sell their investments, such as some mutual fund and annuity products.
- **You may find further information at:** [www.cartyco.com](http://www.cartyco.com)

**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?**

Our financial professionals are compensated a percentage of commissions, mark-ups and markdowns earned in your brokerage account and on ongoing fees from mutual funds and certain other product issuers. Fees are generated when a transaction is executed in your account, *which creates an incentive for trading.* The percentage of revenue your financial professional receives will generally increase as revenue earned from all their client accounts increases. Our professionals are *not* compensated based on factors such as the amount of your assets we service, the time and complexity required to meet your needs or the type of product sold.

## **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 [brokercheck.finra.org/](http://brokercheck.finra.org/), our web site, [www.cartyco.com](http://www.cartyco.com), and refer to your account agreement.

**Questions to ask:**

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

## **5. ADDITIONAL INFORMATION**

The information in this Form CRS is subject to the more complete terms and conditions of our brokerage agreements and disclosures, and does not create or modify any agreement, relationship or obligation you have with us.

- You may find additional information about our brokerage services at our website, [www.cartyco.com](http://www.cartyco.com).
- You may request a copy of the Form CRS Relationship Summary by contacting your investment professional or at: [www.cartyco.com/resource-category/document-library/](http://www.cartyco.com/resource-category/document-library/). You may also call 800-767-8940 for a copy or to request up-to-date information.

**Questions to ask:**

*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?*