

US Brokerage Inc.

# Form CRS: Client Relationship Summary

October 5, 2020

## INTRODUCTION

US Discount Brokerage Inc. doing business as US Brokerage Inc. ("US Brokerage Inc.", "we" "our," or "us"), is registered with the Securities and Exchange Commission ("SEC") as broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Detailed information regarding our registration status is available at [www.brokercheck.finra.org](http://www.brokercheck.finra.org). Our brokerage services and fees differ, and it is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), where you will also find educational materials about broker/dealers and investing.

### What investment services and advice can you provide me?

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. This document provides a summary of the types of services US Brokerage provides and how you pay for those services. The brokerage services offered by US Brokerage independent financial professionals can differ. It is important that you discuss with your financial professional the specific services he or she offers and whether those services are appropriate for your financial situation.

The primary brokerage services offered include recommendations to buy and sell stocks, bonds, and mutual funds, as well as certain insurance products and alternative investments. Many of these investments can be held in accounts ("brokerage accounts") with our clearing firm Hilltop Securities. Other investments are held in accounts directly with the issuer of the securities purchased (sometimes referred to as "direct-held accounts"). We also offer IRAs, where your investments will be held with the custodian of the IRA. More information about our brokerage services can be found in our Investor Disclosure Brochure, available at <https://www.hilltopsecurities.com/media/1289/HTS-Customer-Information-Brochure.pdf>

<b>Broker/Dealer Services</b>
<b>Monitoring Services</b>
US Brokerage does not monitor investments held in brokerage accounts or direct-held investments. Your financial professional can provide periodic account reviews upon request.
<b>Investment Authority</b>
US Brokerage does not have discretionary investment authorization over your brokerage accounts or direct-held investments, except as may be necessary to satisfy margin calls or other debt obligations.
<b>Limited Investment Offerings</b>
US Brokerage does not offer proprietary products or limit its menu of products or types of investments.
<b>Account Minimums and Other Requirements</b>
US Brokerage does not have minimum requirements for retail investors to open or maintain brokerage accounts or purchase or hold direct-held investments.

**US Brokerage encourages you to ask your financial professional the following questions:**

- **Given my financial situation, should choose an investment advisory service? Should choose a brokerage service? Should 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?*

## **FEES, COSTS, CONFLICTS OF INTEREST, AND STANDARD OF CONDUCT?**

### **What fees will I pay?**

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 ensure that you understand what fees and costs you are paying. Below is a summary description of the fees and costs you will pay based upon the services you select.

#### **Broker/Dealer Services**

- Every time you buy or sell an investment, you will pay a transaction-based fee. A transaction-based fee is commonly known as a "commission." The commission rate or amount you will pay for a transaction varies depending on the investment and the size or amount of the transaction.
- In addition to commissions, certain products, including mutual funds and variable annuities, have ongoing fees, such as 12b-1 fees and "trail commissions," that will be paid to us for as long as you own the investment. Additional fees can include custodian fees, mutual fund expenses, and other fees and charges in connection with a specific type of account. These include transaction service fees, variable annuity and insurance product management fees, mortality and expense charges, rider fees, deferred sales or "surrender" charges on mutual funds and variable insurance products, and other miscellaneous account and service fees.
- Information regarding the fees and costs of mutual funds, annuities, and similar investments is available in the prospectus for the specific product. Contact your financial professional or call the product sponsor company for a copy of the prospectus.
- Brokerage account investors will be charged more when there are more trades in their accounts. As a result, US Brokerage has an incentive to encourage investors to trade often.

**US Brokerage has prepared an Investor Disclosure Brochure to assist you in locating detailed information on fees, costs, and conflicts of interest involved in our brokerage services. This brochure can be found at <https://www.hilltopsecurities.com/media/1289/HTS-Customer-Information-Brochure.pdf>**

**US Brokerage encourages you to ask your financial professional the following question:**

- **Help me understand how these fees and costs might affect my investments. If 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 as my broker/dealer? 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 recommendations and investment advice, we provide you. Here are some examples to help you understand what this means.**

Investors should review our Investor Disclosure Brochure for more information about how we make money when providing brokerage services and the conflicts of interest relating to our brokerage business.

**US Brokerage encourages you to ask your financial professional the following question:**

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

**How do your financial professionals make money?**

US Brokerage's financial professionals are compensated based on a variety of factors, such as the amount of client assets they service; the time and complexity required to meet your needs; and the products, programs, or services offered or sold to you.

In addition to receiving commissions, your financial professional has the opportunity to receive "noncash compensation" in the form of reimbursements for marketing expenses and business development costs, as well as with invitations to conferences and due diligence meetings where travel-related costs, expenses, meals, and entertainment are paid for or subsidized by the investment product providers. This additional compensation presents a conflict of interest because it provides a financial incentive for your financial professional to recommend particular investment products that offer additional compensation over those that do not.

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

Yes, US Brokerage has a legal and disciplinary history. Most US Brokerage financial professionals do not have a legal or disciplinary history. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research US Brokerage and your financial professional. You may also search US Brokerage's and/or your financial professional's legal and disciplinary history at [www.brokercheck.finra.org](http://www.brokercheck.finra.org).

To receive a copy of US Brokerage's Form CRS: Client Relationship Summary, please visit the bottom of our website at [www.usbrokerageinc.com](http://www.usbrokerageinc.com). For additional information about US Brokerage's brokerage services, ask your financial professional or call us at 614.448.3200.