



# Form CRS: Customer Relationship Summary

## Introduction

Osaic Institutions, Inc. (“We”, “Our”, “Us”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser and broker-dealer. You should be aware that brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. 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.

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

We offer both brokerage and investment advisory services.

### Advisory Services

**Asset Management:** We will offer you advice on a regular basis. We will discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. We will manage your account on a discretionary basis (we can buy and sell investments in your account without asking you in advance) and a non-discretionary basis (we will obtain approval from you prior to executing any transactions so you make the ultimate decision regarding the purchase or sale of investments).

We generally do not limit advisors to proprietary products or a limited menu of products and types of investments. This service will continue pursuant to the terms of the executed Advisory Agreement. Osaic Institutions does not have a minimum account size for majority of our programs, however, for certain WRAP Programs (as outlined in the respective brochures) certain minimums may apply. In addition, Third-Party Asset Manager(s) (“TPAM”) that the client engages may set their own minimum.

**Financial Planning and Consulting:** Services will be provided to you based on your selection on the Advisory Agreement and may include, but are not limited to, a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans that have recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. Services will generally be considered complete upon delivery of the plan.

**Solicitor Services:** We solicit the services of TPAMs to manage your account(s). We act as the liaison between you and the TPAM in return for an ongoing portion of the advisor fees charged by the TPAM. We help you complete the necessary paperwork of the TPAM, provide ongoing services to you, and will provide the TPAM with any changes in your status as you provide them to us. We will deliver the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the TPAM. We do not have discretion on these accounts.

**ERISA Services:** We also serve as a fiduciary when advising, helping or assisting plan sponsors, plan participants, or retirement investors with their investment decisions on a non-discretionary basis. Retirement accounts are monitored on an ongoing basis. We have a fiduciary duty to act in the best interest of our client. We serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. Plans are monitored on an ongoing basis. We have a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using us can help the plan sponsor delegate liability by following a diligent process. We also act as an ERISA 3(38) Investment Manager where we offer discretionary management and control of a given retirement plan’s assets. We are solely responsible and liable for the selection, monitoring and replacement of the plan’s investment options on an ongoing basis.

### Brokerage Services

Our brokerage services include recommending, buying and selling securities for you. The types of securities we recommend include stocks and bonds, exchange traded funds (“ETFs”), mutual funds, 529s, fixed and variable annuities, alternative investments such as non-traded real estate investment trusts, and unit investment trusts (“UITs”). We do not monitor your investments in connection with our brokerage services. We also do not accept discretion in connection with our brokerage services, which means we cannot buy or sell investments in your account without asking you in advance. You may select investments or we may recommend investments for your account, but the ultimate decision for your investment strategy and the purchase or sale of investments will be yours. We do not have requirements for you to open or maintain accounts with us, such as minimum account size or investment amount. We generally do not limit our investment offerings, nor do we offer investments issued, sponsored, or managed by us or our affiliates (“proprietary products”).

Our brokerage accounts offer the option to hold cash in either money market funds or a bank account insured by the Federal Deposit Insurance Corporation (a “cash sweep account”). Our brokerage accounts also include certain margin account services, where you are extended a loan for the purpose of buying securities.

Not all of our financial professionals can offer both our brokerage and advisory services, and not all of our financial professionals can offer the full range of investments and services we offer. In addition, certain of our staff only offer insurance services, and cannot service clients with either advisory or brokerage services. When you are discussing services with a financial professional, you should ask what capacity the financial professional is acting or will be acting - in the capacity of a broker-dealer and/or in the capacity of an investment adviser- when providing services to you.

#### For Additional Information

Please see our Form ADV for your advisory program and our Relationship Guide for Brokerage Services at [osaic.com/disclosures](https://osaic.com/disclosures).

#### Conversation Starters

Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I 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?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

# What fees will I pay?

## Advisory Fees

**Asset Management:** The amount paid to our firm and your financial professional generally does not vary based on the type of investments selected on your behalf. The asset-based fee reduces the value of your account and will be generally deducted from your account. Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as “surrender charges” to sell the investment. Fees are billed monthly or quarterly in advance or arrears. Our fees vary and are negotiable. Generally, the more assets you have in the advisory account, the more you will pay in total fees. We therefore have an incentive to increase the assets in your account in order to increase our fees. You may also pay a transaction fee when we buy and sell an investment for you if you do not participate in our wrap programs. The asset-based fees you will pay for our wrap fee program will include most transactions costs and fees to a broker-dealer or bank that has custody of these assets, and therefore are higher than a typical asset-based advisory fee. You will also pay fees to a broker-dealer or bank that will hold your assets (called “custody”). You pay our advisory fee even if there were no transactions within the account.

**Financial Planning:** We charge an hourly or fixed fee.

**Solicitor Services:** Our firm and our associated persons may be paid a portion of the fees charged and collected by the TPAM in the form of solicitor fees or consulting fees. Our fees are negotiable depending on the size, complexity of the client’s account(s), the experience and training of the advisor and other business considerations. This situation creates a conflict of interest because we may select a TPM who would pay us a larger percentage of the fee. This conflict is mitigated by our fiduciary duty and adherence to our code of ethics. When referring clients to a TPAM, the client’s best interest will be the main determining factor.

**ERISA Services:** We typically charge an annual asset-based fee based on a percentage of the assets in your retirement plan, an hourly fee, or a fixed fee.

## Brokerage Fees

As a broker-dealer, we generally receive an upfront payment, typically called a “commission,” each time we execute a transaction that results in the purchase or sale of a security in your account. These commissions often vary based on the investment and the size or amount of the transaction. With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as corporate, government, or municipal bonds, this fee might be part of the price you pay for the investment (called a “mark-up” or “mark down”). With mutual funds, this fee (typically called a “load”) reduces the value of your investment. With variable annuities and variable insurance products, you pay this commission indirectly, as it is factored into the cost of insurance and is paid by the issuing insurance company to us.

Some investments (such as mutual funds and variable annuities) deduct additional ongoing fees and expenses that will reduce the value of your investment over time. Mutual funds, for instance, typically deduct ongoing fees and expenses, such as 12b-1 fees, management fees, or servicing fees, from fund assets. You may also have to pay fees such as surrender charges to sell the product. Lastly, you will be subject to additional fees charged by us or our clearing broker, such as custodian fees, account maintenance fees, account inactivity fees, account termination fees and transfer fees

**You will pay the fees and costs whether you make money 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.**

### For Additional Information

Please see our Form ADV for your advisory program and our Relationship Guide for Brokerage Services at [osaic.com/disclosures](https://osaic.com/disclosures).

### Conversation Starters

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 as my broker-dealer or when acting as my investment advisor? 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 or act as your investment advisor, 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:**

## Advisory Services

In investment advisory accounts, a conflict of interest exists any time we recommend that you keep your assets under our management rather than remove your assets from our management because we are paid an advisory fee based on the assets that we manage. Examples could include recommending that you rollover your assets into an advisory account managed by our firm or recommending that your assets remain in your advisory account with us rather than satisfying a debt obligation. Also, we have an arrangement where we share in a portion of the management fee with TPAM. This does not change the cost to you, it is a sharing arrangement paid from the TPAM’s portion of the advisory fee. The TPAM will pay us a percentage of the net billing. This situation creates a conflict of interest because we may select a TPAM who would pay us a larger percentage of the fee. This conflict is mitigated by our fiduciary duty and adherence to our code of ethics. When referring clients to a TPAM, the client’s best interest will be the main determining factor.

## Brokerage Services

For brokerage accounts, we receive commissions and other fees from the purchase and sale of securities. Because we earn a commission each time you enter into a transaction, we have a conflict of interest any time we recommend the purchase or sale of a security. These conflicts include encouraging you to trade more often, recommending additional investments, or recommending investments that pay us more commissions or fees than investments that pay less commissions or fees.

When we sell an investment to you, our firm receives third party payments, such as 12b-1 fees, from some issuers, including mutual funds and insurance companies. The amount of these third-party payments varies between the issuers and the different investments that we offer. These third-party payments present a conflict of interest because they give us an incentive to recommend investments that entail such payments and that pay us more compensation. Our firm also receives revenue sharing payments from investment sponsors, including insurance carriers who issue annuities and alternative investment providers. These payments are based upon the sales of such products, a fixed fee, or a combination of both. This creates a

conflict because we have an incentive to recommend investments from product sponsors who participate in our sponsorship program, and to encourage you to increase the amount of assets in those investments.

We also receive third party and revenue sharing payments from our clearing broker. These include fees collected by our clearing broker on cash sweep accounts maintained by our customers. This creates a conflict because we have an incentive to recommend that you maintain a cash sweep with our clearing broker. Our clearing broker also makes certain loans and margin accounts available to our customers and shares the interest revenue with us and our financial professionals. Because some of our financial professionals can mark up the rate of interest in connection with these services, we and our financial professionals have a conflict because we have an incentive to recommend these loans and margin accounts to you and increase your rate of interest.

In addition to the compensation described above, our firm receives compensation and other economic benefits from our clearing firm for both our brokerage services and advisory services. This compensation includes the sharing of certain custodial and other fees charged by the clearing firm to our customers and payments and other benefits based upon the overall revenues produced by our firm's customers for the clearing broker. The receipt of these economic benefits by our firm creates a conflict of interest because it creates an incentive for us to recommend transactions in securities that utilize the services of our clearing broker.

Our firm also receives non-cash compensation from product issuers and service providers that is not in connection with any particular customer or investment. Compensation includes such items as reimbursement in connection with educational meetings, reimbursement of our conference and event costs, and marketing and advertising initiatives. The receipt of this economic benefit by our firm creates a potential conflict of interest and may indirectly influence our choice of product issuers and service providers.

#### For Additional Information

Please see our Form ADV for your advisory program and our Relationship Guide for Brokerage Services at [osaic.com/disclosures](https://osaic.com/disclosures).

#### Conversation Starters

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?

Our financial professionals make money in a variety of ways. Some financial professionals are paid a salary with or without some form of bonus (often based upon the revenue they produce), some are paid exclusively on the total revenue they produce (commissions, advisory fees, etc.), and some are paid a combination of both. For financial professionals who are paid based upon the revenue they produce, many are paid on a "grid" with escalating tiers as their revenue increases. In addition, our financial professionals may be eligible to receive incentive awards such as sales awards, forgivable loans and other prizes such as trips or bonuses. This compensation creates a conflict because the financial professionals have an incentive to generate more revenue by encouraging you to trade more, purchase higher compensation investments, or increase your assets under management in order to be eligible for more incentive awards.

Our financial professionals also receive non-cash compensation from some of our product issuers, including mutual funds and insurance companies. This compensation includes business entertainment, expense reimbursement for travel associated with educational or similar business meetings, financial assistance in covering the cost of marketing and sales events, and small gifts. This non-cash compensation creates a conflict because our financial professionals have an incentive to recommend those investments whose issuers offer these forms of compensation.

For brokerage accounts, when our financial professionals sell securities or insurance products, they earn a portion of the commissions associated with the transaction and other compensation, including servicing and distribution fees. Further, there are different commissions earned between investment types and within the same product lines. This creates a conflict because our financial professionals have an incentive to sell higher commissioned investments rather than lower commissioned products and an incentive to encourage you to trade often.

For advisory accounts, our financial professionals are typically compensated based upon a percentage of assets under management in your advisory account. This creates a conflict because our financial professionals have an incentive to encourage you to increase the assets in your account. For financial plans, our financial professionals earn a portion of the financial planning fees, which means a conflict exists when the financial planning fee is an hourly rate because our financial professionals have an incentive to work more hours to increase fees earned. In addition, if we implement your financial plan in our capacity as a broker-dealer, we have a conflict because the financial professional has an incentive to recommend higher commissioned securities in the financial plan.

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

Yes. We, and some of our financial professionals, have legal and disciplinary disclosures. Please visit [investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. This link also provides educational materials about broker-dealers, investment advisers, and investing.

#### Conversation Starters

Ask your financial professional:

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

## Additional Information

For additional information about our brokerage or investment advisory services, please go to: [osaic.com/disclosures](https://osaic.com/disclosures). If you would like additional up-to-date information or a copy of this client relationship summary, please call: (800) 987-9299.

#### Conversation Starters

Ask your financial professional:

- Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer?  
Who can I talk to if I have concerns about how this person is treating me?