

### **Item 1. Introduction**

**Shearson Financial Services, LLC (Shearson)** is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA), Municipal Securities Rulemaking Board (MSRB) and the Securities Investor Protection Corporation (SIPC). We are also registered with the State of Florida as an investment adviser. 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](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### **Item 2. Relationships and Services**

*“What investment services and advice can you provide me?”*

We offer full-service brokerage services to retail investors including a wide range of products and services. Unless stated otherwise, we only act in the capacity of a broker-dealer for your account. This includes recommending various types of securities transactions including government and corporate bonds, municipal securities, equity securities, exchange traded funds, mutual funds, private placements, variable annuities and variable life insurance products, structured products, CDs, and UITs. We may on occasion offer securities that are issued by our affiliated entities. Depending on the nature of your relationship with us as a *retail investor*, you may make the ultimate decision regarding the purchase or sale of investments or you may engage us to manage your account on a discretionary basis without your input. For discretionary accounts, we will provide monitoring services that include periodic meetings to assess the performance in your account. We do not charge separately for monitoring brokerage accounts and there is no minimum account balance to establish an account with our firm. More detailed information about our Firm, including the products and services offered can be accessed at: <http://shearsonllc.com>

#### **Conversation Starters**

- 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?

### **Item 3. Fees, Costs, Conflicts, and Standards of Conduct**

*“What fees will I pay?”* Shearson’s fees are based on the type(s) of service(s) we provide. Generally, for brokerage services you will pay transaction-based fees for each transaction. These will include a commission based on the value of the transaction, or a flat fee per transaction. For some transactions, particularly fixed income securities, you will be charged a mark-up on purchases or a markdown on sales. For example, when you purchase a security from us, the price you pay will include a markup from the price at which we purchased the security or the current market price. Conversely, when you sell a security through us the price you receive will be less than the price at which we will sell the security in the market. Additional charges you may incur include margin interest, account maintenance fees, ticket charges, postage and handling fees and legal transfer fees. The specific commissions, markups, which range from 1/2%-4% and fees for transactions are contained in the transaction confirmations, product prospectus or are available upon request. In addition to the foregoing fees, our clearing and custody partner, RBC Capital Markets, LLC may assess certain fees associated with your brokerage account, such as account termination fees, and account transfer or liquidation fees, depending on the advisory program. The firm also receives compensation from RBC for interest sharing, sweep revenue and Mutual Fund 12b-1 fees. For a schedule of fees charged by RBC CS and your brokerage firm, you may visit our website link at <http://shearsonllc.com> where a list of fees is included in the most recent electronic statement insert section for the periods ending March, June, September or December. **You will pay fees and costs whether you make or lose money on your investments. They will reduce the amount of money you make over time. Please make sure you understand what fees and costs you are paying.**

#### **Conversation Starters**

- 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?

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*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:

- When we purchase securities for you as your agent, we charge a commission on the transaction. This creates the incentive for us to trade more frequently in your account.
- We may engage in principal trading where we sell to or purchase from you a security from our own account. This creates the incentive for us to increase the markup or markdown to you or to trade more frequently in your account.
- We have arrangements with our clearing firm to share in certain fees and charges derived from your account including margin interest, money market interest, transaction processing fees and other administrative charges which creates an incentive for us to increase the use of margin or trading in your account.
- We may recommend that you invest in securities that are issued by affiliated parties for which Shearson receives a placement fee and its affiliates receive financial benefits from the use of your money.

**Conversation Starter**

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

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

The way our financial professionals make money creates conflicts of interest. Financial professionals are generally compensated based on a share of the commission, markups & markdowns and other fees charged to your account. As stated previously the way we make money creates an incentive for our financial professionals to engage in excessive trading, increased use of margin, or engaging in transactions that may not be in your best interest. You should be aware of these conflicts as they provide an incentive for Shearson or its financial professionals to place their interest ahead of yours. However, we have established supervisory policies, procedures and controls designed to eliminate, mitigate or disclose these conflicts to you. You may contact us or ask your representative about our compensation practices.

**Item 4. Disciplinary History**

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

Yes – Shearson and some its financial professionals have disciplinary histories. We invite you to visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research our Firm and our financial professionals.

**Conversation Starters**

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

**Item 5. Additional Information**

We encourage you to seek out additional information about our brokerage services and request a copy of this relationship summary. We invite you to visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research our Firm and financial professionals. Please call **Shearson** at 561-613-4727 to speak with us directly.

**Conversation Starters**

- 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?