

# NATIONAL SECURITIES CORPORATION RELATIONSHIP SUMMARY DISCLOSURE



National Securities Corporation (NSC) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is also a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Brokerage and investment advisory services and fees differ and it is important for you to understand these 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.

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

We offer brokerage services and can recommend and effect securities transactions for you. This includes buying and selling securities that can be either held in accounts with our clearing firms (“brokerage accounts”) or directly with the issuer of the securities purchased (“directly held accounts”). We also offer retirement accounts, where your investments will be held with the custodian of the account. In addition, our brokerage accounts offer the option to hold cash in either money market funds or an FDIC insured account. We do not monitor your brokerage account. However, your financial professional may voluntarily review your holdings from time to time and may or may not make recommendations to you based on these reviews. You make the ultimate decision regarding the purchase or sale of investments. We do not limit our investment offerings to a specific menu of products or proprietary investments. Not all of our financial professionals can offer the full range of investments and services we offer. We generally do not have any minimum account requirements, but some investments have minimum investment requirements.

**Additional Information:** More information about our services is available at [ournational.com/reg-bi](https://ournational.com/reg-bi).

### → 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?**

## 2. What fees will I pay?

You will incur commission charges when you buy or sell securities, and this amount will vary depending on the size and type of transaction. Examples of other fees you may pay include sales loads, markups and markdowns on principal trades, and distribution and/or service fees. These fees could present a conflict for us because it may create an incentive to encourage you to trade more and make additional investments. In addition, to the extent that we receive any such fees on securities transactions that we execute with respect to funds or accounts managed by our investment advisory affiliate, any advisory or management fees paid to such affiliate could present a conflict for us because it may create an incentive to encourage you to invest in such funds or accounts. Additional fees may include custodial or administrative services, ongoing fees and expenses such as those included in the expense ratios of certain investments, account based fees, interest charges on margin accounts and securities based loans, and other transactional and product level fees.

**Additional Information:** 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. See additional information about your fees and costs at [ournational.com/reg-bi](https://ournational.com/reg-bi).



→ **Conversation Starter:** 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?

### 3. 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.

- ❑ **Proprietary Products:** We may earn more compensation when you invest in a product that we advise, manage, or sponsor, such as investment banking products. As such, there may be an incentive to recommend those products over other third-party products.
- ❑ **Third-Party Payments and Revenue Sharing:** When we sell a product to you, we may receive payments from product sponsors or managers such as trail commissions, and we may also share in a part of the revenue earned on that investment. These payments may be an incentive for us to offer such investments. Our clearing firms also share with us fees and revenues earned servicing your account.
- ❑ **Principal Trading:** We may buy a security from you, or sell you a security from our own principal account. Because we earn compensation (mark-ups and mark-downs) in principal transactions, we may have an incentive to trade with you on a principal basis.

**Additional Information:** For additional details on our conflicts of interest, see our Reg BI Disclosures at [yournational.com/reg-bi](http://yournational.com/reg-bi).



→ **Conversation Starter:** How might your conflicts of interest affect me, and how will you address them?

### 4. How do your financial professionals make money?

We pay our financial professionals commissions according to their payout schedule which can vary based on the type of investment purchased and sold. Payout schedules take into account factors such as the time and complexity needed to service an account, as well as the expertise, geographic location, and performance of each financial professional. Some of our financial professionals have an incentive to reach certain production volumes to qualify for a higher portion of commissions. Additionally, since some investments pay higher commissions, this may be an incentive for our financial professionals to recommend such products. Financial professionals can also be compensated out of revenue received from other transactional and product level fees, third party payments, and account based fees and interest. More information about forms of compensation is available at [yournational.com/reg-bi](http://yournational.com/reg-bi).

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

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.



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

**Additional Information:** For additional information about our broker-dealer services, or services offered by our affiliates and their Form CRS, please visit [yournational.com/reg-bi](http://yournational.com/reg-bi). You can request up-to-date information and a copy of the Customer Relationship Summary by contacting us at (866)-225-3559 or [customerservice@yournational.com](mailto:customerservice@yournational.com).



→ **Conversation Starter:** 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?