

Regulation Best Interest Disclosure

This guide summarizes important information concerning the scope and terms of the brokerage services offered by Brighton Securities Corp. and details the material conflicts of interest that can arise through our delivery of brokerage services to our clients. We encourage you to review this information carefully, along with any applicable account agreement(s) and other disclosure documentation you may receive from us from time to time.

Brighton Securities Corp. is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer (BD) and as a registered investment adviser (RIA) and is a member of the Financial Industry Regulatory Authority (FINRA). Our brokerage services are the primary focus of this guide. For more information on our investment advisory services and how they differ from brokerage services, please review the Customer Relationship Summary (Form CRS) available at <https://www.brightonsecurities.com/disclosures>. Our Form CRS contains important information about the types of services we offer, both brokerage and investment advisory, along with general information related to our compensation (including the compensation of the financial services professionals that work with Brighton Securities), conflicts of interest relating to the services and products we offer, disciplinary actions and other reportable legal information.

As a federally registered BD, we are required to act in our retail customers' best interests. Broadly speaking, this means that we have four obligations to our retail customers: care, disclosure, conflict of interests and compliance. Our duty of care pervades everything we do, from account type recommendations, to investment products offered, to trades. Our duty of disclosure requires disclosure in the Form CRS and in our other communications with our retail clients, including in this guide. Our duties with respect to conflicts of interest are to identify them; eliminate them if possible; mitigate them if not; and to disclose their existence and potential impact. Finally, our compliance encompasses establishing and following policies, training our investment professionals, disclosure and record keeping.

In order for Brighton Securities to act in your best interests, your knowing about the products and services we offer can give you a starting point for our discussions and recommendations. Therefore, please carefully review and consider the information in each section below.

Brokerage Services	Page 1
Brokerage Service Models and Products	Page 4
Brokerage Fees and Our Compensation	Page 4
Conflicts of Interest	Page 7
Additional Resources.	Page 9

Brokerage Services

When you establish a brokerage account with us, you have the ability to buy, sell, and hold investments within your account. The primary service we provide is our trading capability; we execute purchases and sales on your behalf, and as directed by you. In a brokerage services relationship, we can trade with you for your own account, for an affiliate, or for another client, and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation. We are not required to, nor do we, communicate in advance, obtain your consent, or inform you of any profit earned on trades.

Cash Brokerage and Margin Brokerage Accounts

We provide brokerage services through either a cash brokerage account or margin brokerage accounts, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firm, Wells Fargo Clearing Services, LLC (trade name First Clearing¹ and heretofore referred to as "First Clearing"). This is generally referred to as a "margin loan." The portion of the purchase price that is lent to you is secured by securities in your account, referred to as "collateral." You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

¹ First Clearing is a trade name used by Wells Fargo Clearing Services, LLC.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, we generally recommend cash brokerage accounts. To engage in margin brokerage activity, you must execute a separate margin agreement which includes a copy of the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, contact a Financial Advisor/Professional or refer to our Margin Disclosure Statement available at <https://www.brightonsecurities.com/disclosures>.

Brokerage Account Types

We offer many different brokerage account types including individual and joint accounts, custodial accounts, Delivery Versus Payment (DVP) accounts, estate and trust accounts, partnership accounts, individual retirement accounts, and other types of retirement accounts as outlined in our account agreement (s). You should refer to our account agreement(s) for more information concerning available account types or speak with a financial professional. We are always happy to discuss the types of brokerage account(s) that suit your needs. As your needs may change over time, we suggest that you periodically carefully review your account types, and discuss them with us.

Incidental Brokerage Services, Recommendations, and Account Monitoring

Within your brokerage account, we may also provide other incidental services such as research reports, and recommendations to buy, sell, or hold assets. When we make a securities recommendation, investment strategy recommendation, or recommendation to rollover assets from your Qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made orally, in printed materials, or via email. Moreover, when we act in a brokerage capacity, we do not agree to enter into a fiduciary relationship with you.

It is important for you to understand that when our Financial Advisor/Professionals make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives and based on your stated investment objectives risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to proceed an on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account of investments, you should speak with a Financial Advisors/Professional about whether an advisory services relationship would be more appropriate for you.

From time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, and they do not contain specific investment recommendations about investment holding, thus, you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

Clearing Services

We have entered into an agreement with First Clearing to carry your account and provide certain back office functions. We and First Clearing share responsibilities with respect to your account as set forth in the Designation of Responsibilities that was delivered to you upon opening your account. Please refer to the Designation of Responsibilities for more information on how such responsibilities have been allocated between us.

Understanding Risk

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Some investments involve more risk than other investments. Higher-Risk investments may have potential for higher return but also for greater losses. The higher your "risk tolerance," meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances and investment needs to offer you different investment objectives from which you may choose (see below). You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs.

Generally Associated Risk Tolerance

Income Investment Objective

Typical Investment Objective Description - Portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets.

- **Conservative** Conservative Income investors generally assume lower risk but may still experience losses or have lower expected income returns.
- **Moderate** Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns.
- **Aggressive** Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

Growth and Income Investment Objective

Typical Investment Objective Description - Portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets.

- **Conservative** Conservative Growth and Income investors generally assume a lower amount of risk but may still experience losses or have lower expected returns.
- **Moderate** Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns.
- **Aggressive** Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses.

Growth Investment Objective

Typical Investment Objective Description - Portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets.

- **Conservative** Conservative Growth investors generally assume a lower amount of risk but may still experience increased losses or have lower expected growth returns.
- **Moderate** Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns.
- **Aggressive** Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses.

Trading and Speculation

Typical Investment Objective Description - Trading and Speculation investors seek out maximum return through a broad range of investment strategies, which generally involve a high level of risk, including the potential for unlimited loss of investment capital.

Our recommendations are based in part on your risk tolerance and investment objective as outlined above. We encourage you to carefully consider your investment objective and risk tolerance before investing.

Account Minimums and Activity Requirements

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, backup IRS withholding may be charged. Account requirements are detailed in the account agreement(s) you receive when you open your brokerage account. Depending on the size of account, number of trades, and account type, First Clearing may charge an account fee based on certain terms and conditions. These terms and conditions can be found in your account opening documents and your annual fee schedule mailing.

Some of our Financial Advisors/Professionals may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated Financial Advisor/Professional may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your Financial Advisor/Professional.

Brokerage Service Models and Products

Brighton Securities is a full-service broker-dealer that provides a large variety of services to our clients, including but not limited to: facilitating trades, retirement planning, estate planning, and financial planning. Within our brokerage account options, we have access to a broad range of product offerings, including mutual funds, equities, bonds, Exchange Traded Products (ETPs), option contracts, real estate investment trusts (REITs), annuities and Certificate of Deposit investments.

Brokerage Fees and Our Compensation

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees and costs involved.

Transaction-Based Fees

You will pay transaction-based fees for trades you decide to enter into, such as buying or selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds, annuity contracts, exercising options and making other investment purchases and sales. These transaction-based fees are generally referred to as a “commission”, “markup”, “sales load”, or a “sales charge”. Transaction-Based fees are based on several factors, including, but not limited to:

- Underlying product selection; including share class for certain types of investments
- Your brokerage service model and account type
- Size of your transaction and/or overall value of your account
- Frequency of your trade activity
- Available discounts and/or fee waivers

In addition, certain transactions, have other associated fees and expenses discussed below. These may include early withdrawal or early termination penalties.

Account and Service Fees

You will also pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that depending on the brokerage service model you choose, the same or similar products, accounts, and services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees visit us at <https://www.brightonsecurities.com/disclosures>.

How We Are Compensated

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from your account. Indirect compensation is compensation paid in ways other than directly from the account but may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering.

Below is a brief description of the factors that are considered when calculating our brokerage commissions. For a full disclosure of how these fees are charged, view our updated “Fee Disclosure” on our website at <https://www.brightonsecurities.com/disclosures>.

Debt Securities/Unit Investment Trusts

Brokerage commissions on debt securities and unit investment trusts are calculated using a mixture of flat per trade fees, flat per bond fees, fees based on a percentage of the principal amount of the trade and may incorporate per transaction minimum commissions.

Option Contracts

Brokerage commissions on options contracts are calculated using a mixture of fees based on the principal amount of the transaction and may include a percentage of principal fee, a per trade fee, a fee associated with each option contract traded, and may be marked up by a fixed percentage above that amount. These fees will be subject to a per trade minimum.

Equity Securities

Brokerage commissions on equity securities are calculated using a mixture of fees based on the principal amount of the transaction and may include a percentage of principal fee, a per trade fee, a fee associated with each lot traded, and may be marked up by a fixed percentage above that amount. These fees will be subject to a per trade minimum.

Mutual Funds

We currently offer thousands of mutual funds varying in share class structure and investment style. If you invest in mutual funds, we may receive direct and indirect compensation in connection with such mutual fund investments, as described below.

Some clients choose to invest directly with a mutual fund company. There are different sales loads and fees associated with these products. Please see the applicable Mutual Funds prospectus or their website for additional information.

12b-1/Shareholder Service Fees

Annual 12b-1 fees, also known as trails, are paid to us by the fund out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund's behalf. Shareholder servicing fees are paid to respond to investor inquiries and provide investors with information about their investments. These asset-based fees are charged by the applicable fund family and range from 0.00% to 1.00%. These fees charged by the fund families may be partially paid to us and we may in turn pay them to your Financial Advisor/Professional as a commission.

Front-End Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)

Front-End sales charge fees may be charged and paid to us, including your Financial Advisor/Professional, when you purchase an investment in a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your Financial Advisor/Professional if you believe you may be eligible for sales charge waivers.

CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund's CDSC period. CDSC charges range from 0.00% to 5.50%, depending, among other things, on the share class purchased by the investor. CDSC periods can range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. CDSCs are not paid to your Financial Advisor/Professional. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund's prospectus. Fees and expenses disclosed in the fund's prospectus are charged against the investment values of the fund. Please note that 12b-1s and similar fees or compensation received in connection with our affiliated funds are not received, or are rebated, on ERISA assets held in our Advisory Program accounts.

Revenue Sharing

We currently have an agreement with First Clearing, as our clearing firm, regarding revenue sharing. The agreement includes margin debit interest, non-recourse loan interest and confirmation fees.

Investment Advisory Services

Investment Advisory Services are ongoing fees paid in regular periods based on the total value of the advisory account (inclusive of both cash and investments). This fee will be deducted quarterly in advance from your account (or a check can be sent in) and will reduce the value of your account when incurred. Fees assessed by Brighton Securities are in addition to fees that may be charged by a mutual fund or custodian for certain account services. Brighton Securities' fees are negotiable, ranging from 0.5% to 3%, determined on a client by client basis. The amount you pay will depend on the services you want and the amount of assets in your account. If you participate in separately managed account programs you may be charged various program fees in addition to the advisory fee we charge. Such fees may include the investment advisory fees of an independent third-party advisor, as part of a wrap fee arrangement.

Data Agreement

Brighton Securities' privacy policy can be found on our at: <https://www.brightonsecurities.com/media/privacy.pdf>.

Annuities

We offer fixed and variable annuity products. Under arrangements with insurance companies, we, including your Financial Professional, receive commissions from the insurance companies for the sale of annuities, as well as trail commissions, and they are considered indirect compensation. Commissions and trails paid to us vary by product type and may vary by insurance carrier. For additional information regarding your annuities, please see the applicable insurance company literature, prospectus and website.

Alternative Investments Information

While it is not a part of our regular course of business, from time to time Brighton Securities may facilitate either the purchase or sale of an Alternative Investment within a brokerage account. Any such transaction requires compliance pre-approval prior to execution of such a trade, and is evaluated on a case by case basis dependent on the risk tolerance, investment objectives, and liquidity needs of the client.

Unit Investment Trusts (UITs)

We offer Equity and Fixed-Income UIT investments. We, along with your Financial Advisor/Professionals, are compensated in various ways depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described in the Account and Service Fee section above and are disclosed via the prospectus issued by the UIT provider. Your Financial Advisor/Professional can provide you a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus.

Training and Education

We work closely with many product and service providers who provide training and education compensation to offset or reimburse us for costs incurred in conducting comprehensive training and educational meetings for our Financial Advisor/Professionals. These meetings or events are held to educate Financial Advisor/Professionals on product characteristics, business building ideas, successful sales techniques, and suitability, as well as various other topics. In addition, certain vendors provide free or discounted research or other vendor products and services, which can assist our Financial Advisor/Professionals with providing services.

Likewise, from time to time, product providers will reimburse us for expenses incurred by individual branch offices in connection with conducting training and educational meetings, conferences, or seminars for Financial Advisor/Professionals and participants. Also, Financial Advisor/Professionals may receive promotional items, meals, or entertainment or other non-cash compensation from product providers. Entertainment of or by clients for a reasonable cost is not prohibited. Entertainment costs are considered reasonable if both the host and guest attend the entertainment together (*i.e., a football game*) and/or the guest's portion of the total cost of the entertainment does not exceed \$250 if the entertainment has a for-profit sponsor, or \$500 if a non-profit sponsor is involved. Reasonable greens fees or admission to a baseball game are examples of reasonable entertainment.

Although training and education compensation is not related to individual transactions or assets held in client accounts, it is important to understand that, due to the total number of product providers whose products are offered by us, it is not possible for all companies to participate in a single meeting or event. Consequently, those product providers that do participate in training or educational meetings, seminars, or other events gain an opportunity to build relationships with Financial Advisor/Professionals. These relationships could lead to sales of that particular company's products.

Operational Fees

We receive compensation for various operational services provided to you through a brokerage account. Our fee schedules are set forth above and can be found at <https://www.brightonsecurities.com/disclosures>.

Trade Corrections

Clients are not responsible for trade corrections and errors. Clients may receive an additional confirmation if an error is not fixed on the same day as the initial trade occurred.

Compensation for Termination of Services

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the firm would not receive any additional compensation in connection with the termination of its services to you. If you have questions or need additional copies, contact your Financial Advisor/Professional.

Brokerage – Excluded Advisory Assets

Our brokerage services described above differ from our advisory services. Fees for advisory services are generally charged as a percentage of assets under management in the applicable advisory account. However, in some instances we may allow an advisory client to trade what are referred to as “excluded assets” within their advisory services account. Excluded assets are not subject to our advisory program fees. Instead of our advisory fees, these excluded assets are subject to our standard brokerage charges when traded.

Conflicts of Interest

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially opposed to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our Financial Advisor/Professionals, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, affiliated and non-affiliated product providers, money managers, and other third parties as described above. Securities rules allow for us, our Financial Advisor/Professionals, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our Financial Advisor/Professionals receive varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate, and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. The information below is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides, and other information we make available to you.

Compensation We Receive From Clients

Transaction-Based Conflicts

You pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds in your brokerage account. Where these fees apply, the more transactions you enter into, the more compensation that we and your Financial Advisor/Professional receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

Markups and Markdowns for Principal Transactions

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

Account Maintenance and Other Administrative Fees

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. The higher the fees we charge, the more we are compensated.

Compensation We Receive from Third Parties

Third-Party payments we receive may be based on new sales of investment products, creating an incentive for us to recommend you buy and sell, rather than hold, investments. In other cases, these payments are made on an ongoing basis as a percentage of invested assets, creating an incentive for us to recommend that you buy and hold investments (or continue to invest through a third-party manager or adviser).

The total amount of payments we receive varies from product to product, and varies with respect to the third-party investment management products we recommend. It also varies from the compensation we receive in connection with other products and services we may make available to you, including advisory services. We have an incentive to recommend investment products and services that generate greater payments to us. This compensation generally represents an expense embedded in the investment products and services that is borne by investors. The types of third-party compensation we receive include:

- **Trail Compensation.** Ongoing compensation from Product Sponsors may be received by us and shared with our Financial Advisor/Professionals. This compensation (discussed above, commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.
- **Revenue Sharing.** As discussed above, we currently have an agreement with First Clearing, our clearing firm, regarding revenue sharing. The agreement includes margin debit interest, non-purpose loan interest and confirmation fees.

Additional Compensation from Product Sponsors and Other Third Parties.

We and our Financial Advisor/Professionals, associates, employees, and agents receive additional compensation from Product Sponsors and other third parties including:

- Gifts and awards, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospective clients.
- Payment or reimbursement for the costs associated with education or training events that are attended by our employees, agents, and Financial Advisor/Professionals, and for conferences and events that we sponsor.
- Reimbursement from Product Sponsors for research and technology-related costs, such as those to build systems, tools, and new features to aid in servicing clients. Additionally, we and our affiliates receive compensation from Product Sponsors to provide aggregate sales data.

Note: The amount of these payments is not dependent or related to the level of assets you or any other of our clients invest in or with the Product Sponsor.

- **Product Share Classes.** Some Product Sponsors offer multiple structures of the same product (*i.e., mutual fund share classes*) with each option having a unique expense structure, and some having lower costs to you as compared to others. We are incentivized to make available those share classes or other product structures that will generate the highest compensation to us.

Compensation Received by Financial Advisor/Professionals

Financial Advisor/Professionals are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients and/or total assets under advisement, including brokerage account activity. This compensation may vary by the product or service associated with a brokerage recommendation. In addition to upfront-transaction based compensation, some products feature on-going residual or "trail" payments. Thus Financial Advisor/Professionals are incentivized to recommend products that have higher fees as well as those with on-going payments.

Typically, a Financial Advisor/Professional's payout schedule (periodically adjusted by us at our discretion) increases with production and asset levels. The same payout schedule is reduced when Financial Advisor/Professionals discount certain client fees and commissions, or client relationship asset levels are below minimums established by us from time to time. Financial Advisor/Professionals also may be eligible for annual or ongoing bonuses and deferred compensation awards based upon a variety of factors that may include reaching certain production levels, tenure with the firm, client product mix, asset gathering, referrals to affiliates or other targets, as well as compliance with our policies and procedures and meeting best business practices.

As a result, Financial Advisor/Professionals have an incentive to provide brokerage recommendations that result in selling more investment products and services, as well as investment products and services that carry higher fees. Financial Advisor/Professionals also have an incentive to provide brokerage recommendations to gather more assets under management and to increase brokerage trading activity, and to reduce the amount of discounts offered to you.

Financial Advisor/Professionals have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. Financial Advisor/Professionals are incentivized to recommend you transition your brokerage services account to an advisory account to generate on-going revenue where your brokerage account has minimal activity. Further, Financial Advisor/Professionals are incentivized to recommend you transition your brokerage account to an advisory account after you have already placed purchases resulting in commissions and/or other transaction-based brokerage fees. We have controls established to identify and mitigate this risk. Financial Advisor/Professionals also have an incentive to provide higher levels of service to those clients who generate the most fees.

Recruitment compensation is provided to Financial Advisor/Professionals who join our firm from another financial firm. This compensation, which may vary by Financial Advisor/Professional, often includes either an upfront or backend award based upon new client assets to the firm and/or revenue generated from such client assets. This creates an incentive for the Financial Advisor/Professional to recommend the transfer of assets to the firm, including brokerage assets, in order to earn this compensation.

Non-Cash compensation is provided to Financial Advisor/Professionals in the form of credits toward business expense accounts and certain titles. Financial Advisor/Professionals are also compensated in the form of education meetings and recognition trips. Portions of these programs is subsidized by external vendors and affiliates, such as mutual fund companies, insurance carriers, or money managers. Consequently, product providers that sponsor and/or participate in education meetings and recognition trips gain opportunities to build relations with Financial Advisor/Professionals, which could lead to sales of such product provider's products. Financial Advisor/Professionals also receive promotional items, meals, entertainment, and other noncash compensation from product providers up to \$100 per year for gifts per vendor and \$1,000 per year for meals per vendor.

Other Financial Advisor/Professional Activities

Financial Advisor/Professionals may be motivated to place trades ahead of clients in order to receive more favorable prices than their clients. Daily Monitoring and appropriate surveillance procedures are in place to detect any frontrunning or trading-ahead activities. In addition, our designated supervising principals must ensure that individuals under their immediate supervision are aware of the prohibitions regarding frontrunning and trading-ahead, and adhere to our policies and procedures.

Financial Advisor/Professionals who are transitioning through a succession plan may be incentivized to make brokerage recommendations designed to increase the value of their "book of business" through asset accumulation or brokerage trades that are not in your best interest. Financial Advisor/Professionals who receive clients from a retiring Financial Advisor/Professional are incentivized to meet growth goals and may make recommendations not in your best interest.

Additional Resources

Additional information and disclosures including Form CRS, Legal; Disclosures and the Brighton Securities Margin Disclosure can be found on our website at <https://www.brightonsecurities.com/disclosures>.