

## Signal Securities, Inc. Form CRS

### **Item 1: Introduction**

Signal Securities, Inc. (“our firm”) is registered with the Securities and Exchange Commission (SEC) as an investment adviser and as a broker-dealer. Our firm is 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 the differences. *Please note that not all of our financial professionals are licensed to provide both brokerage services and advisory services. Some are only licensed to provide brokerage services.* Your financial professional may recommend only those securities he or she is licensed to recommend.

The SEC offers free and simple tools to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides information tailored to educate retail investors about financial professionals.

### **Item 2: Relationships and Services**

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

There are different ways you can get help with your investments. Our firm offers both brokerage and investment advisory services to retail investors. Which type of account is right for you - brokerage, investment advisory, or both? Use the following to carefully consider which types of accounts and services will help you to meet your investment needs:

Our *investment advisory services* include:

- Retirement planning – monitored quarterly as part of our standard service.
- Portfolio management – monitored quarterly as part of our standard service.
- Financial planning – our firm does not monitor your accounts.

Investment advisory services can be provided on either a non-discretionary or a discretionary basis. Non-discretionary means that no transactions will be made until you are notified and approve of them. If you invest on a discretionary basis, our firm will buy and sell investments in your account(s) without requiring your pre-approval until you notify us in writing to modify this agreement.

Our *brokerage services* include:

- Buying and selling securities - our firm does not monitor your accounts.
- Upon request, your financial professional will recommend that you buy, sell or hold securities.

Brokerage services are provided on a non-discretionary basis, which means that you make the ultimate decision regarding the purchase or sale of investments.

**For additional information, including minimum investment amounts, please see**

<http://www.signalsecurities.com/DiscForms.php> for our Form ADV, 2A brochure (Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1) and our Regulation BI disclosure at <http://www.signalsecurities.com/DiscForms.php>.

**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? Do I need comprehensive investment advice?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### **Item 3: Fees, Costs, Conflicts and Standard of Conflict**

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

The fees that you will pay depend on whether you choose brokerage services or investment advisory services as illustrated in the following table. Each of these fees is detailed below.

<b>Type of Fee</b>	<b>Brokerage Services</b>	<b>Advisory Services</b>
Commissions/Mark-ups/Mark-downs	Yes	Varies*
Mutual Fund Loads and Contingent Deferred Sales Charges	Yes	No
Mutual Fund 12b-1 Fees	Yes**	Varies**
Mutual Fund Expense Ratio	Yes	Yes
Fee for Advice	No	Yes

\*Some share classes have transaction fees charged by our advisory services custodian. Generally, our custodian does not charge transaction fees. The primary exception is Institutional Mutual Fund trades for which transaction fees of \$20 are charged.

\*\*Brokerage Services "12b-1 fees" are fees paid by the mutual funds to Signal for servicing and marketing the funds. All of these fees are based upon a percentage of assets invested in the mutual funds. The result of such fees is that the value of fund shares held in your account decreases.

Advisory Services "12b-1 fees" apply sometimes, depending on the mutual funds selected. Some mutual funds under advisory services do charge 12b-1 fees while others do not (please see fund prospectus for details). In either case, Signal does not receive advisory-related 12b-1 fees from mutual funds.

Signal benefits from the services we provide to you. In addition to the fees we charge you, our firm can receive non-monetary benefits from the custodians, vendors and clearing firms we do business with. These benefits include education, technology and general guidance with regulatory compliance. Our fees can be assessed quarterly and are disclosed in our Form ADV Part 2A and Fee Schedule found on our website. Some fees create a conflict of interest described below.

You should consider the following regarding our firm's investment advisory fees:

- If our firm charges you asset-based fees, more assets in the account will cause you to pay more in fees, and, therefore, we may have an incentive to encourage you to increase the amount of money invested in those accounts.
- The long-term costs of advisory fees will exceed the cost of brokerage commissions.
- If our firm charges hourly fees, our firm has an incentive to recommend specific courses of action through the firm's services that may lead to representatives and/or the firm receiving additional compensation.

You should consider the following regarding our firm's brokerage fees:

- If our firm charges you a commission, our representatives can offer expensive products to you and therefore you can be charged more than other potential products.
- If our firm charges you transaction fees, the firm has an incentive to encourage you to trade more frequently.

#### 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. For more detailed information about our fees and costs please review our Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) which can be found at <http://www.signalsecurities.com/DiscForms.php> or <https://www.adviserinfo.sec.gov/IAPD/default.aspx>. For more detailed information about our broker-dealer fees and costs please review our Regulation BI disclosure and Fee Schedule found at <http://www.signalsecurities.com/DiscForms.php>.

**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? How does the product offering (advisory service, mutual fund, annuity, stock, bond, etc.) impact the fees I pay?*

***What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money, and what conflicts of interest do you have?***

When our firm provides you with a recommendation as your broker-dealer or acts as your investment adviser, 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.

- Our firm does not have revenue sharing arrangements, proprietary products, or act as a principal by offering products out of our own inventory.
- Our firm makes money by offering products and services to you that we in turn earn money on and therefore have an incentive to sell these products to you.
- Investment advisory fees can be higher than brokerage fees over a long period of time.

**Conversation Starters** Ask your financial professional:

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

#### Additional information:

For more detailed information about our fees and costs please review our Form ADV, Part 2A found at <http://www.signalsecurities.com/DiscForms.php> or <https://www.adviserinfo.sec.gov/IAPD/default.aspx>. For more detailed information about our fees and costs please review our Regulation BI disclosure and Fee Schedule found at <http://www.signalsecurities.com/DiscForms.php>.

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

- Our professionals are compensated for advisory services based on the amount of assets they service and therefore earn higher compensation for investing more of your money.
- Our professionals are compensated for brokerage services based on the volume of certain products sold and therefore can earn higher commissions by recommending certain products.

#### **Item 4: Disciplinary History**

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

Yes, our firm and some of our financial professionals have disciplinary history addressed in our Form ADV or Form BD. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

**Conversation Starters** Ask your financial professional:

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

#### **Item 5: Additional Information**

You can find additional information about our services and request a copy of the relationship summary by visiting [www.SignalSecurities.com](http://www.SignalSecurities.com), by emailing us at [Compliance@SignalSecurities.com](mailto:Compliance@SignalSecurities.com), or by calling us at 817-877-4256.

**Conversation Starters** Ask your financial professional:

- *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?*