

# Stern Brothers & Co.

## FORM CRS RELATIONSHIP SUMMARY

### INTRODUCTION

Stern Brothers & Co. (Stern) is registered with the Securities & Exchange Commission as a broker-dealer that provides brokerage accounts and services. Stern is also a member of FINRA and the MSRB. Brokerage and investment advisory services and fees differ; it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at: [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers, and investing.

### WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

- The brokerage services we provide include buying and selling securities and recommending investments to retail investors. We offer standard brokerage accounts as well as individual retirement accounts. Products offered include stocks, bonds and mutual funds.
- Stern does not offer discretionary accounts. You may select investments, or we may recommend investments for your account, but the ultimate investment decision as to your investment strategy and the purchase or sale of investments will be yours.
- We offer a limited selection of investments. Other firms could offer a wider range of choices, some of which might have lower costs.
- We are not required to monitor your portfolio or investments on an ongoing basis unless agreed to in advance.
- You may find further information at: [www.sternbrothers.com/bestinterest](http://www.sternbrothers.com/bestinterest)

#### **Questions to ask:**

- *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?*

### FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

#### **What Fees Will I Pay?**

You will pay fees and costs with each transaction. Fees and costs will reduce any amount of money you make on your investments over time. This could create a conflict of interest since you will pay fees and costs whether you make or lose money on your investment. Please make sure you understand what fees and costs you are paying.

- The fee you pay is based on the specific transaction and not on the value of your account.
- With stocks or exchange-traded funds, the fee is usually a separate commission. With other investments, such as bonds, this fee may be part of the price you pay for the investment (called a mark-up or mark-down). With mutual funds, a fee typically called a load reduces the value of your investment. Mutual funds also charge annual management fees which vary depending on the fund.
- The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us.
- We may charge you additional fees such as custodian fees, account maintenance fees, and account inactivity fees.
- You may find further information at: [www.sternbrothers.com/bestinterest](http://www.sternbrothers.com/bestinterest)

**Questions to ask:**

*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? 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.

- We may buy and sell your investment through our own accounts (called “acting as principal”) and we may earn a profit on these trades.
- The more transactions in your account, the more fees we will charge you. We therefore have an incentive to encourage you to engage in transactions.

**Questions to ask:**

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

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

- Our financial representatives are paid a portion of the commissions or markup/markdowns that we receive based on various factors. This creates a conflict since the representative may be paid at a higher rate for specific transactions.
- Our financial representatives could be paid more on a bond in which the firm is participating in the offering of a new issue.
- Depending on multiple factors involving a particular bond, our reps could be compensated more. Therefore, there could be a financial incentive to recommend certain bonds over others.
- The firm mitigates the referenced conflicts of interest by having supervisors of the firm review trades to ensure that the client’s best interest is being served and that our representatives are in compliance with all applicable regulations.

**DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

For additional information about Stern Brothers & Co., please visit [www.sternbrothers.com/bestinterest](http://www.sternbrothers.com/bestinterest). You may also visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. For additional information about our brokers and services, visit <https://brokercheck.finra.org/>, our web site [www.sternbrothers.com](http://www.sternbrothers.com) and refer to your account agreement.

**Questions to ask:**

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

**ADDITIONAL INFORMATION**

You may request a copy of the Form CRS Relationship Summary by contacting your investment professional or [www.sternbrothers.com](http://www.sternbrothers.com). You may also call **314-727-5519** for a copy or to request up-to-date information.

**Questions to ask:**

*Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?*