

June 11, 2020

# Customer Relationship Summary

Mid-Atlantic Securities, Inc.

Form CRS

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Mid-Atlantic Securities, Inc. ("MAS" or "firm") is registered with the Securities and Exchange Commission ("SEC") as an investment adviser and as a broker-dealer and is also a member of FINRA, MSRB and SIPC. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the 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.

All recommendations regarding your brokerage account will be made in a broker-dealer capacity, and all recommendations regarding your advisory account will be in an advisory capacity. When we make a recommendation to you, we will expressly tell you orally which account we are discussing.

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

**Brokerage Services:** We offer full-service brokerage to retail investors, providing recommendations in the purchase and sale of a variety of security products. We offer many different brokerage account types including individual and joint accounts, custodial accounts, estate and trust accounts, individual retirement accounts, 529 accounts, annuities 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 registered representative.

When we make a recommendation in your brokerage account, you make the ultimate decision regarding the purchase or sale of investments. You may accept or reject any recommendation we make. It is your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a financial advisor about whether an advisory services relationship is more appropriate for you.

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, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or your brokerage account will be closed. These requirements are detailed in the account agreement(s) you receive when you open your brokerage account.

**Investment Advisory Services:** Additionally, we offer investment advisory services to retail investors giving continuous advice based on the client's individual needs. Advisory services are offered by defining client objectives, preparing a financial and investment plan, selecting appropriate investments, implementing the plan, and monitoring progress. Third party money managers may be recommended as part of the advisory services offered depending on your asset allocation and asset management service needs. All accounts are offered as Wrap Fee Accounts which means you are charged an all-inclusive "wrap fee" on Program Assets that cover advisory, execution, custodial and reporting services on assets. As part of our standard service we are responsible for performing periodic reviews and consulting with you at least annually.

We also offer financial planning for a fee which can provide the client with a written financial plan addressing personal financial goals using current and projected assets, liabilities and income; anticipated spending needs over time; tax realities (income, capital gains and estate); retirement goals; estate and legacy plans; and any other financial/investment needs. Once a financial plan is delivered, we do not commit to provide on-going monitoring of your assets that are not managed by us.

We provide our investment advisory clients discretionary and non-discretionary account ("Account") management services tailored to each client's individual needs. In a discretionary account, the Adviser will have the authority to determine which securities are bought and sold without prior consultation with the client. Discretion is exercised in

a manner consistent with the client's stated objectives, and any restrictions the client provides in writing. In a non-discretionary account, the client makes the ultimate decision regarding the purchase or sale of investments. Discretionary authority is provided as part of the Client Agreement.

The Raymond James Financial Opportunity Account requires a minimum account size of \$25,000; the Ambassador Account Program requires a minimum account size of \$25,000 and the various account types that fall under the Freedom Account Program require a minimum account size that ranges from \$5,000 to \$50,000, Freedom Foundation requires a minimum account size of \$5,000, Freedom UMA requires \$300,000 minimums; the Raymond James Research Portfolio requires a minimum account size of \$100,000; the American Fund Models require a minimum account size of \$5,000; and the Raymond James Consulting Services require a minimum account size of \$100,000 to \$500,000. MAS has the discretion to waive the account minimum in certain cases.

Additional information about our services are available on our Regulatory BI Disclosure Brochure, our ADV Disclosure Brochure (Form ADV Part 2A, Items 4, 7, 13 and 16; or Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure, Items 4 and 9) and on our website at <https://www.midatlanticsecurities.com>.

**When considering our services, ask your financial professional:**

- **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?**

## What fees will I pay?

**Brokerage Services:** We receive direct and indirect compensation in connection with your brokerage accounts. Direct compensation is taken directly from the brokerage account in the form of commissions on transactions. In addition, we receive a portion of the interest charged on margin balances and a portion of the interest earned in cash sweep accounts. Commissions and other transaction-fees are charged when a trade occurs. You will be charged more when there are more trades in your account, and we, therefore, have an incentive to encourage you to trade often.

Transaction-based fees are based on a host of factors, including, but not limited to: underlying product selection; your brokerage service model and account type; size of your transaction and/or overall value of your account; frequency of your trade activity; and available discounts and/or fee waivers.

**Investment Advisory Services:** We charge most retail clients an annualized asset-based fee, billed quarterly. The actual fee each of you will pay is set forth in an Investment Advisory Agreement. The more assets there are in a retail investor's advisory account, the more a retail investor will pay in fees, and this creates an incentive for us to encourage you to increase the assets in your account.

If you choose financial planning, with or without engaging us for ongoing advisory services, we will charge either a fixed fee or flat hourly fee, depending on the nature and complexity of your circumstances and the level of work it entails. As the first step in the financial planning process, all fees will be disclosed and agreed upon in the financial planning agreement signed by the client before work begins.

**Other Fees and Costs:** Aside from the fees we charge you for providing investment advice, you may have to pay other fees related to brokerage or investment advisory services. Fees can be charged directly or indirectly. Direct fees include transaction fees and account maintenance fees (including IRA fees) charged by the custodian that holds your account, prime broker fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Indirect fees include internal management fees (including 12b-1 fees and annual fund operating expenses) charged by Mutual funds and exchange traded funds, which are disclosed in a fund's prospectus.

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.

**Additional information** about our fees are available on our Regulatory BI Disclosure Brochure, ADV Disclosure Brochure (Form ADV Part 2A, Item 5 ; or Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure, Item 4) and in your Customer Agreement.

**When considering our services, 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?**

**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 we provide you with a recommendation as your broker- dealer or act 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.*

We have a conflict of interest through our revenue sharing arrangements with Raymond James & Associates, Inc. (RJA”) and Raymond James Financial Services (“RJFS”) and other product providers, including mutual fund companies. For example, we receive a portion of margin interest charged to clients that use margin and therefore have an incentive to recommend clients leverage their accounts through the use of margin. We also receive a portion of the revenue earned on money invested in the Cash Sweep, therefore, we have an incentive to recommend this sweep over other money market accounts or similar cash accounts.

For our investment advisory services, we primarily earn fees based on the amount of assets we manage. Therefore, we have a financial incentive to encourage you to transfer assets to us. This includes a recommendation to rollover your retirement plan. We review account applications to ensure any recommendation to rollover a retirement plan is in the best interest of the client based on not only the cost to the client but also the availability of investment choices.

Certain individuals are separately licensed as insurance agents/brokers for various independent insurance companies. In their separate capacities as independent insurance agents, these individuals will be able to implement insurance transactions for clients, including Fixed and Index Annuities, for separate and typical compensation. You are under no obligation to purchase these products from our representatives.

**When considering our services, ask our financial professional:**

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

Additional information about our conflicts of interest are available on our Regulatory BI Disclosure Brochure and our ADV Disclosure Brochure (Form ADV Part 2A, Item 10; or Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure, Item 9).

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

Registered Representatives earn a portion of the commissions and other transaction fees you pay for brokerage services. As commissions are based on a number of factors, so is the compensation paid to our Registered Representatives. For example, certain products pay higher commission rates than others.

Some product and service providers provide training and education to the Registered Representatives. Such meetings are provided at no cost to us and may include reimbursement for meals and travel. These meetings or events are held to educate Registered Representatives and are also considered to be a form of non-cash compensation.

Our investment advisors receive a set percentage of the fees you pay for investment advisory services. Their compensation is not based on the time and complexity required for any particular client, total assets under management, or the products sold.

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

Yes, visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research us and our financial professionals.

**When considering our services, ask your financial professional:**

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

### Additional Information

Additional information, including our most recent Relationship Summary, is available at our website at <https://www.midatlanticsecurities.com>; in your Customer Agreement; or you can call your Registered Representative or financial advisor at 919-783-7787 to request up-to-date information and a copy of the Relationship Summary.

**When considering our services, ask our financial professional:**

- **Who is my primary contact person?**
- **Is she or he 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?**