



# Customer Relationship Summary

Helping you make an informed decision

June 30, 2020

Form CRS

## Introduction

First Western Securities, Inc. is registered with the Securities and Exchange Commission as a broker-dealer, and is a Registered Investment Advisor with the states of Texas, Oklahoma, Georgia and California.

First Western Securities, Inc. is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Agency (SIPC).

Brokerage and Investment Advisory services and fees differ and it is important for you to understand the differences.

Free and simple tools are available for you to use at [www.investor.gov/CRS](http://www.investor.gov/CRS) a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing

This relationship summary provides information that helps you make an informed decision about whether or not to invest with us and will answer the following questions:

- What investment services and advice can you provide me?
- What fees will 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 the firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?
- Where can I find additional information?

## Terms to know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

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

First Western Securities, Inc. offers brokerage services and investment advisory services, to retail investors and may charge commissions for trades in brokerage accounts, or fees as part of an investment advisory account. This information can be provided to you upon request from your financial advisor. FWS does not provide custodial services or other administrative services. At no time will FWS accept or maintain custody of a client's funds or securities.

## Brokerage Services

First Western Securities, Inc. brokerage services include making recommendations for buying and selling securities on a non-discretionary basis. This may include brokerage accounts, mutual funds or variable annuities. A recommendation may be made to the client on a non-discretionary basis. You the client, make the ultimate decision to choose to accept or decline the recommendation

Other investment options that may be recommended are exchange listed securities, over-the-counter securities, foreign securities, warrants, corporate debt securities, CDs, variable life insurance, variable annuities, municipal securities, mutual funds, US Govt. Securities, and Options in Securities.

FWS does not currently require a minimum investment to open an account, however other investments such as variable annuities may impose a minimum investment amount.

FWS does not monitor retail brokerage accounts. Additional information on services and fees can be found on new account documents provided by our clearing firm or other entities such as mutual fund managers and annuity contract providers, depending upon the type of account or services selected.

## Conversation corner

Questions you might wish to ask when considering our services:

- 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?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

## Investment Advisory Services

FWS Investment Advisory Services primarily provides portfolio management services with discretionary authority. Portfolios are created according to the client's objectives provided at the time the account is established. This includes but is not limited to current financial status, investment objectives, and risk tolerance. FWS does not provide custodial services or other administrative services. At no time will FWS accept or maintain custody of a client's funds or securities. As part of portfolio management, the advisor may use exchange listed securities, over-the-counter securities, foreign securities, warrants, corporate debt securities, CDs, variable life insurance, variable annuities, municipal securities, mutual funds, US Govt. Securities, and Options in Securities. A client may inform us in writing to any specific securities restrictions.

FWS may recommend a 3<sup>rd</sup> party money manager if it is determined that it would provide the client with the most benefit. This can lead to a conflict of interest since FWS would receive a portion of the advisory fees but not provide direct advisory services to the client. FWS does not offer a wrap fee program.

## What fees will I pay?

Brokerage fees are different from Advisory fees. A retail investor will pay a commission on each trade and could be charged more when there are more trades in his or her account. This may encourage the advisor to trade more often in a retail account. Advisory fees are based on account value. This may create an incentive for the advisor to encourage the client to increase the assets in his or her account. 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.

## Brokerage Services Fees

Retail brokerage accounts are charged a commission per trade. A commission may be charged for brokerage account securities trades up to, but not to exceed 3% of the value of the investment at the time of the trade.

Mutual funds have a sales charge depending on the type of share you purchase. The sales charge is a fee you pay to the fund manager of the mutual fund investment company. Additional information regarding mutual fund investments and share class types can be found at <https://www.finra.org/investors/alerts/understanding-mutual-fund-classes>. First Western Securities, Inc. may charge a commission to liquidate a mutual fund.

Variable Insurance Products have sales charges associated with the specific insurance product as well as any additional benefits or riders. The sales charges and fees vary depending on the specific product. The insurance companies may provide additional information. Please ask your investment representative for this information.

## Investment Advisory Services

FWS charges a fee, either monthly or quarterly in advance based on the amount of assets to be managed by the advisor as of the opening of business on the first business day of each month or quarter. The fee schedule is generally in the range of 1-3% not to exceed 3%. All fees paid to FWS for investment advisory services are separate and distinct from the expenses charged by mutual funds or variable insurance products. These fees are described in each fund or annuities prospectus. Currently all of FWS Investment Advisor Representatives are also registered as brokerage representatives with FWS. As such the advisor may receive separate yet typical compensation in the form of commissions for purchase of securities products through FWS as well as for the sale of insurance products.

## Other Fees and Costs

Retail and Advisory clients are responsible for all custodial and securities trading fees charged by the custodian and executing broker-dealer. The advisors fee is separate and distinct from the custodian and brokerage fees. The most common fees are commissions, management fees, annual account maintenance fees, mutual fund or variable insurance product fees, transfer fees and postage and handling fees.

Additional information on services and fees can be found at [http://www.firstwesternsecurities.com/Legal\\_Disclosures.html](http://www.firstwesternsecurities.com/Legal_Disclosures.html)

### Conversation corner

Questions you might wish to ask when considering our services:

- 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?
- 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 might your conflicts of interest affect me, and how will you address them?
- How will you choose investments to recommend to 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 the firm make money and what conflicts of interest do you have?

### Standard of Conduct

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.

### Examples of Ways We Make Money and Conflicts of Interest

Our representatives may be compensated with a percentage of gross commission on investment products sold. This may create an incentive to buy or sell that could result in a cost to you and income for the representative. This could result in a recommendation prohibited by Industry Standards of Conduct; a recommendation that is not in the best interest of a customer. All fees and costs associated with any recommendation will be provided at the time the recommendation is made.

Mutual funds have a sales charge depending on the type of share you purchase. The sales charge is a fee you pay to the fund manager of the mutual fund investment company. Additional information regarding mutual fund investments and share class types can be found at (point to FINRA's page re: share classes? First Western Securities, Inc. may charge a commission to liquidate a mutual fund. (amount or range?)

Variable Insurance Products have sales charges associated with the specific insurance product as well as any additional benefits or riders. The sales charges and fees vary depending on the specific product. FWS may recommend a 3<sup>rd</sup> party money manager if it is determined that it would provide the client with the most benefit. This can lead to a conflict of interest since FWS would receive a portion of the advisory fees but not provide direct advisory services to the client. For additional information about potential conflicts of interest, please see [http://www.firstwesternsecurities.com/Legal\\_Disclosures.html](http://www.firstwesternsecurities.com/Legal_Disclosures.html)

### How do your financial professionals make money?

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from the account such as an annuity transaction or a mutual fund transaction. Other service providers will provide details on their fees ie: mutual fund companies, annuity companies, or our clearing firm.

Additional information on services and fees can be found at [http://www.firstwesternsecurities.com/Legal\\_Disclosures.html](http://www.firstwesternsecurities.com/Legal_Disclosures.html)

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

Yes, FWS and some of its financial professionals have disciplinary history. This information is available on at [www.brokercheck.com](http://www.brokercheck.com).

### Where can I find additional information?

You can always ask your financial advisor for more information and request a copy of this relationship summary or other applicable documents or agreements by calling 817-553-1492 or 1-800-327-1279.

#### Conversation corner

Questions you might wish to ask when considering our services:

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

#### Conversation corner

Questions you might wish to ask when considering our services

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?