



## Form CRS June 30, 2020

### Introduction

S.L. Reed & Company (SLR) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer, and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). We are an introducing broker-dealer, with clearing services provided by National Financial Services, LLC (NFS). Brokerage and investment advisory services and the fees charged differ. It is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors and investing.

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

We are a full service broker-dealer offering investment and insurance products to retail investors, including buying and selling equities, options, mutual funds, fixed income, fixed and variable annuities, and life insurance. In addition, SLR offers retirement plan services, whereby employers can offer a menu of investment plan selections to their eligible employees. Upon request, we can refer eligible clients to our affiliated Registered Investment Advisor, or another investment advisor, that would provide additional investment services. We have no stated account minimums.

*For additional information*, please see [www.slreed.com/disclosures](http://www.slreed.com/disclosures) under Regulation BI.

*Conversation starters.* 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?

We charge a commission for brokerage trades:

Minimum commission charged per equity and mutual fund trade: \$20.00

Minimum commission charged per option transaction: \$50.00

The above rate may be reduced for very small dollar trades, but must be at a level to cover execution & clearing costs/fees related to the transaction. The maximum amount of commission charged on any one transaction is 5% of gross purchase as set by FINRA. In some instances, where the transaction involves a low priced stock or option trade, the commission may be greater than the 5% maximum commission charge. In these cases, we only charge to cover our cost.

Commissions charged may be negotiated at the discretion of the registered representative based on factors such as but not limited to trading activity of customer, number of shares traded, or large dollar volume trades. Since you will be charged a commission on each transaction, SLR or our representatives may have an incentive to encourage you to trade more frequently.

NFS assesses no custodial charges, but charges a \$35 annual maintenance fee on IRAs. No fees are charged for money transfer transactions, including bank wires, ACH transactions, or transfers between accounts. .

Transaction fees and/or ongoing fees in insurance products, including fixed and variable annuities, are charged based on the type of product you choose as well as the class of annuity units you choose. SLR and our representatives may receive a portion of these fees, which may give them incentive to direct you to choose a specific product or investment class.

Transactions in mutual funds held in our brokerage accounts, or directly at mutual fund companies, may be subject to sales charges (for purchases) or contingent deferred sales charges (for sales). SLR and our representatives may receive a portion of sales charges on purchases.

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 additional information*, please see [www.slreed.com/disclosures](http://www.slreed.com/disclosures) under Regulation BI and ERISA disclosures.

*Conversation starter.* 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? 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 affect the recommendations we provide you. Here are some examples to help you understand what this means.

- Commissions charged on equity, option, fixed income, and mutual fund trades may provide us or our representatives an incentive to encourage you to trade more frequently.
- Our representatives are also representatives of our affiliate investment advisory firm, Windward Capital Management Company, which may give them incentive to refer high-net worth clients to Windward's advisory services.
- Sales charges in differing mutual fund share classes may encourage our representatives to recommend one class of shares over another.
- Different insurance products, including fixed and variable annuities, may have different levels and types of compensation for representatives, which may give them incentive to recommend one type of product or class than another.
- We, or our representatives, may have incentive to encourage retirees, or those changing jobs, to rollover their retirement plan assets to an SLR or Windward Rollover IRA, in order to receive commissions or management fees.

*For additional information*, please see [www.slreed.com/disclosures](http://www.slreed.com/disclosures) under Regulation BI.

*Conversation Starter.* Ask your financial professional—

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

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

SLR representatives are compensated in several ways for their investment advice:

- Commissions on equity, option, fixed income, and mutual fund trades.
- Sales charges and contingent deferred sales charges on mutual funds.
- Mutual fund 12(b)1 fees, based on mutual funds assets.
- Administrative services fee.

**Do your financial professionals have a legal or disciplinary history?**

Yes. Two of our representatives had disciplinary action prior to their employment with SLR. As a firm, SLR has never had a customer complaint or regulatory disciplinary action. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

*Conversation Starter.* Ask your financial professional—

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

**Additional Information**

For additional information about our firm or services, go to [www.slreed.com](http://www.slreed.com), [brokercheck.finra.org](http://brokercheck.finra.org), or [Investor.gov/CRS](http://Investor.gov/CRS). If you would like additional, up-to-date information or a copy of this disclosure, please call our Chief Compliance Officer at (310) 893-3006.

*Conversation Starter.* Ask your financial professional—

Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?