

Pinnacle Capital Securities

Client Relationship Summary

Dated: June 30, 2020



Introduction

Pinnacle Capital Securities, LLC. (“Pinnacle”) is registered with the Securities and Exchange Commission (“[SEC](#)”) as a broker-dealer. Pinnacle is a member of the Financial Industry Regulatory Authority (“[FINRA](#)”) and Securities Investors Protection Corporation (“[SIPC](#)”).

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 which also provides educational materials about broker-dealers, investment advisers, and investing. For more information, please scan the QR code to the right and view an SEC video about brokerage and advisory services.



What Investment Services and Advice Can You Provide Me?

We offer brokerage services to retail investors, including buying and selling a limited range of securities products and services.

- If you buy or sell an investment through us, you will pay us a **transaction-based fee**, generally referred to as a commission, every time you buy or sell an investment.
- If you have a brokerage relationship with us, we do not offer account monitoring services. This means that we do not offer periodic evaluation of your securities positions, rather, we act in your best interest at the time we make a recommendation.
- We assess your investor profile by gathering information about you and your goals at the outset of our relationship and we make recommendations that are designed to fit that profile.
- You may select investments or we may recommend investments for you, but the ultimate investment decision for your investment strategy and the purchase or sale of investments will be yours.
- We offer a limited selection of investments, including mutual funds, variable annuities, and private placements of securities. Private placements are more complex and expensive than mutual funds, stocks, and bonds. Other firms could offer a wider range of choices, some of which might have lower costs.

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?

- Transaction-based fees. You will pay us a fee every time you buy or sell an investment. This fee, commonly referred to as a commission, is based on the specific transaction value.
- With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a “**mark-up**” or “**mark down**”). With mutual funds, this fee (typically called a “**load**”) reduces the value of your investment.
- Our fees vary and are negotiable. 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. With mutual funds, private placements and insurance products, a fee typically called a **load** or a **concession** reduces the value of your investment. These fees typically range between 1% and 10% of the value of the investment.
- Some investments (such as private placement, mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. These fees can range from 1 to 3% on an annual basis depending on the investment.
- We do not charge you additional fees, such as custodian fees, account maintenance fees, and account inactivity fees.
- The more you transact, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.
- From a cost perspective, you may prefer a transaction-based fee or success fee if you plan to buy and hold investments for longer periods of time.
- 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. Scan the QR code for more information.



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?

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 investment advice we provide to you. Here are some examples to help you understand what this means.

- Some products offer higher compensation than others. For example, you pay a lower fee for a mutual fund than you would on a private placement. This creates a conflict because we have an incentive to sell products with higher fees to you.
- We have an incentive to offer or recommend certain investments, such as a hedge fund, because the manager or sponsor of those investments shares with us revenue it earns on those investments.
- We can make extra money by selling you certain investments, such as a Delaware Statutory Trust, either because they are managed by someone related to our firm or because they are offered by companies that pay our firm to offer their investments. Your financial professional also receives more money if you buy these investments.

More information about fees, risks, expenses, and conflicts can be found in product prospectuses and transaction confirmations you receive at or before the completion of a transaction.

Conversation Starters. 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?

When we make recommendations in your brokerage account, our financial professionals are primarily compensated by earning commissions or concessions on the products you buy and sell.

- Our financial professionals receive ongoing fees on certain products, often referred to as section 12b-1 fees (or marketing/distribution fees). These fees are typically a percentage of assets in the product and range between .25% – 1% depending on the product.
- Our financial professionals are compensated in higher amounts for some products over others. One example is complex products that can require more knowledge, time and expertise to sell such as variable annuities and private placements. More complex products may not be appropriate for all investors. A conflict arises when the financial professional has a greater incentive to sell products that pay higher compensation. We maintain procedures to mitigate these conflicts.

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

Neither we nor our financial professionals have a legal or disciplinary history. Visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals. For additional information about our financial professionals, visit FINRA BrokerCheck (<https://brokercheck.finra.org>). Scan the QR code for more information.



Conversation Starters. 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 products and services, visit our web site <https://www.pinnaclecapgrp.com/> and refer to your account agreement. If you would like additional up-to-date information or a copy of this disclosure, please call our corporate offices at (310) 684-2699.

Conversation Starters. Ask your 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?