

# Institutional Securities Corporation and ISC Advisors, Inc.

## Customer Relationship Summary (Form CRS)

August 29, 2023

### Introduction

Institutional Securities Corporation (Institutional Securities) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer, and is a member firm of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). ISC Advisors, Inc. (ISC Advisors) is registered with the SEC as an investment adviser. Institutional Securities and ISC Advisors are affiliated through common ownership and control.

We provide our clients broker-dealer services through Institutional Securities, and investment advisory services through ISC Advisors. You should carefully consider which types of accounts and services are right for you. This document gives you a summary of those services we provide and how you pay for them. Please ask us for more information.

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 for you to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), a website maintained by the SEC. These tools can also provide you with educational materials about broker-dealers, investment advisers, and investing.

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

#### **Brokerage Services provided by Institutional Securities**

We offer brokerage services to retail investors, including the buying and selling securities. Our services include discussing your investment goals, assistance with developing or executing an investment strategy, providing recommendations related to investments in your portfolio, on-going communications and providing access to trade execution and custody services.

We generally provide brokerage services on a non-discretionary basis, and to that end, you may select investments, or we may recommend investments for your account, but the ultimate investment decision for your investment strategy and the purchase or sale of investments will be yours. Notwithstanding that, we may accept limited discretionary authority, as to price and time, in certain circumstances. Additionally, we can offer you additional services to assist you with your investment goals, including the monitoring of the performance of your account upon request.

#### **Investment Advisory Services provided by ISC Advisors**

We offer investment advisory services and advice on a regular basis to retail investors. Our services include discussing your investment goals, designing with you a strategy to achieve your investment goals, and the on-going monitoring of your account. We are available to discuss your account during normal business hours via telephone or in-person meetings. We generally meet or contact you at least annually regarding your investment portfolio. Other advisory services we provide include financial planning services, investment consulting, periodicals or newsletters and educational seminars and workshops.

Additionally, we provide discretionary and non-discretionary advisory services. Our discretionary authority is generally granted, at the outset of our advisory relationship in our client agreement, to select the identity and amount of securities to be bought or sold during your advisory relationship with us. We

exercise such discretion in a manner consistent with the stated investment objectives, limitations and restrictions imposed upon us by you we advise. With respect to our non-discretionary services, you should be aware that you make the ultimate decision regarding your investment holdings, including the purchase and or sale of those investments.

### **Brokerage and Advisory Services**

Our investment advice generally covers equities, debt, options, futures, and mutual funds. Other firms could provide advice on a wider range of choices, some of which might have lower cost. We generally require that clients have a minimum of \$50,000 in investment assets to open and maintain an account with us, however, we may waive the minimum in our sole discretion.

### **Additional Information**

For additional information, please see our Regulation Best Interest Disclosure (for brokerage services provided by Institutional Securities), our Form ADV, Part 2A brochure, Items 4 and 7 (for advisory services provided by ISC Advisors), your account or advisory agreement, other applicable documents, or our website: [www.iscgroup.com](http://www.iscgroup.com). Additionally, you can contact us about our services at (880) 888-3520 and we will be happy to discuss with you.

### ***Conversation Starter: - Ask your financial professional -***

- ***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?***

## **What fees will I pay?**

### **Principal Brokerage Fees and Costs**

If you open a brokerage account, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy or sell an investment. While our brokerage 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 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.

*Ultimately, the more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.*

### **Principal Investment Adviser Fees and Costs**

Retail investors will incur the fees described below for investment advisory services, which are negotiated between you the client, and your financial advisor. The principal fees for investment advisory services are as follows:

- Asset-based fees, which are an on-going fee, and based upon a percentage of the assets managed by us.
- Hourly or fixed charges for financial planning and general investment consulting services.
- You may pay a commission to your financial professional when we buy and sell an investment for you. This is in addition to the advisory fees payable to us for advisory services.

Our advisory fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. Additionally, the amount paid to us and your

financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account.

*The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell your investment assets*

### **Other Fees and Costs**

We also charge you additional fees, such as custodial fees, account maintenance charges, account inactivity fees, deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes on custodial brokerage accounts and securities transactions. Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as “surrender charges” to sell the investment.

### **Additional Information**

**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 our Regulation Best Interest Disclosure (for brokerage fees, and costs for brokerage services provided by Institutional Securities), our Form ADV, Part 2A brochure, Items 5.A., B., C. and D (for advisory fees and costs for advisory services provided by ISC Advisors), your account or advisory agreement, or other applicable documents.

***Conversation Starter: Ask your financial professional and start a conversation about the impact of fees and costs on investments -***

- ***Help me understand how these fees and costs 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 the 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:***

- ***Third-Party Payments:*** We receive payments from third party product sponsors and managers (or their affiliates) when we recommend or sell certain products. As such, we have an incentive to recommend (or to invest your assets in) products of third parties that pay us over products of third parties that do not pay us or pay us less.
- ***Revenue Sharing:*** Our clearing firm shares with us a part of the revenue they earn on your payments in connection with the cash sweep options offered. These payments incentivize us to offer and recommend their products and services, and to encourage you to increase the amount of your invested assets. Our financial professionals do not share in this revenue.

### **Additional Information**

For additional information, please see our Regulation Best Interest Disclosure (regarding our brokerage relationship), our Form ADV, Part 2A brochure (regarding our advisory relationship), your account or advisory agreement or other applicable documents.

**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?**

Your financial professional earns compensation based upon a portion of the sales commissions resulting from the buying and selling securities for your brokerage account and or the revenue we earn for providing you with advisory services or recommendations. They may also receive compensation from the sale of insurance products through affiliated firms. As a result, your financial professional may have a financial incentive to buy and sell securities in a brokerage account and or to not to reduce fees in an advisory account. Additionally, your financial professionals are compensated based on factors such as the amount of client assets they service, the time and complexity required to meet a client's needs, commissions from portfolio transactions recommended by your financial professional, the sale of insurance products, and product sales commissions.

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

**Yes.** Please see [www.Investor.gov/CRS](http://www.Investor.gov/CRS) or <https://brokercheck.finra.org> for a free and simple tool to research the background and experience of 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?**

**Where can I find additional information**

For additional information regarding our services, please see our Regulation Best Interest Disclosure (regarding our brokerage relationship), our Form ADV, Part 2A brochure, Items 4 and 7 (regarding our advisory relationship), your account or advisory agreement, other applicable documents, or if you would like additional, up-to-date information or a copy of this disclosure, please contact Terry L. Blythe by phone at (880) 888-3520, or by email at [tblythe@iscgroup.com](mailto:tblythe@iscgroup.com).

**Conversation Starter: Ask your financial professional -**

- **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?**