



HIGHTOWER

Hightower Securities, LLC
Form CRS- Client Relationship Summary
February 2024

Introduction

Hightower Securities, LLC (“HTS”) is an introducing broker-dealer registered with the U.S. Securities and Exchange Commission (“SEC”) and is a Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”) member. HTS is also a licensed general insurance broker. Brokerage and investment advisory services differ, and it is important to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Please note three material changes in the following sections of this Form CRS since the last delivery.

- **What investment services and advice can you provide me?**
- **What fees will I pay?**
- **Do your financial professionals have legal or disciplinary activity?**

What investment services and advice can you provide me?

HTS provides financial services to retail customers, including individual retirement accounts, trusts, and 529 plan accounts. Generally, we offer to buy and sell equity, listed options, fixed income, mutual funds, and variable insurance products on your behalf. We do not offer investment advisory services, discretionary accounts, or account monitoring services through the broker-dealer. Other firms could offer a wider range of choices, some of which might have lower costs. HTS does not have a minimum account balance requirement, however, HTS representatives have the ability to establish their own and these vary by practice. The minimum balance requirement depends on the nature of the practice and the nature of the account.

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 instrument. HTS works with National Financial Services LLC (“NFS”), Pershing LLC (“Pershing”) and J.P. Morgan Securities LLC, our clearing firms, to provide you with brokerage services. You are responsible for your investment decisions, unless HTS agrees otherwise in writing. You are responsible for monitoring your account and trading activity, we do not provide account monitoring as a service. Our clearing firms hold your account(s), custody your funds and securities, and are responsible for delivering account statements at least quarterly in paper or electronic format, based on your instruction. We serve as placement agent on certain investment products. Such products may pay fees to us. These fees are in addition to any brokerage transaction charges you incur. HTS also receives trailing commissions on some mutual fund and insurance products. Therefore, we have an incentive to recommend these products over other third-party products.

Additional information about our services is found here: hightoweradvisors.com/legal-and-privacy.html

Conversation Starters:

- Given my financial situation, should I choose brokerage services? Why or why not?
- How will you choose investments that you 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?

You generally will pay us a fee every time you buy or sell an investment product, known as a transaction-based fee or commission; this fee is based on the specific transaction and not the value of your account. Accordingly, the more you trade the higher your fees. Therefore, because HTS is compensated based on the number of trades in your account, HTS is incentivized to increase your trading activity.

- 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. These fees can vary based on the amount of time you hold the mutual fund. Holding mutual funds for less than 60 days can result in additional transaction fees.

Examples of other fees you may pay:

- Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, certain investments such as variable annuities carry “surrender charges” to sell the investment.

- Some of 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, how long you hold the investment, and what kind of account you have with us.
- You will be charged fees by the clearing firm holding your brokerage account, such as custodial, account maintenance, margin interest (when you borrow funds to purchase securities), and account inactivity fees; if an investment is held directly, there may be fees charged by the issuer.

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. Please see Hightower Securities Commission Schedule here: hightoweradvisors.com/resources/HTS-Commission-Schedule-6.20.pdf for more detailed information about fees and costs.

Conversation Starters:

- 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 are required 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 we provide you. Here are some examples to help you understand what this means:

- The more transactions made in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.
- We offer various share classes of mutual funds and 529 plans. Some mutual fund and 529 share classes may pay ongoing trail payments and a contingent deferred sales charge to HTS if there is a redemption within a certain period after purchase. Depending on the length of the holding period for the mutual fund or 529, and other factors, one share class may be less expensive to the investor than another, and HTS may earn more in compensation for one share class than another.
- We participate in revenue sharing arrangements, including the receipt of placement agent fees, where we receive compensation for recommending certain investments or products. This creates a conflict of interest because we have an incentive to recommend products and services which remit payment to us when you elect to participate.
- We can buy investments from you, and sell investments to you, from our own accounts (“riskless principal transactions”). We can earn a profit on these trades, a markup/markdown, so we have an incentive to encourage you to trade with us.
- We share in interest charges you pay to borrow funds for securities purchases (margin interest) which is an incentive to encourage you to borrow for securities purchases.

Conversation Starter:

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

Additional information is found here: hightoweradvisors.com/legal-and-privacy.html

How do your financial professionals make money?

Our financial professionals receive a percentage of commissions and markups/markdowns earned in brokerage accounts, which vary by product. They also receive ongoing fees from mutual fund and certain other product issuers and fees related to other products and services provided to you. The fees that your financial professional receives will generally increase as the activity in your account increases or as more products are sold to you. Therefore, they are incentivized to sell products to you or to recommend transactions that increase the revenue earned on your account’s activity.

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

Yes. You should visit Investor.gov/CRS for a free tool to research our firm and our registered representatives.

Conversation Starter:

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

For additional information about our brokerage services and to request a copy of our relationship summary and other up-to-date information, please email us at Compliance@hightoweradvisors.com or call 312.962.3800.

Conversation Starter:

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