

**Introduction**

Johnstone Brokerage Services, LLC (JBS) is registered with the Securities and Exchange Commission (SEC) as a securities broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA). DPL Financial Partners, LLC (DPL) is a parent of JBS.

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

Brokerage and investment advisory services and fees differ, and it is important for you to understand the 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 advisers, and investing.

JBS is an introducing broker-dealer for retail investors, meaning we maintain no client accounts and do not use a clearing firm. Instead, we sell and support investment products held at insurance, annuity, mutual fund and 529 providers (Third Party Account Providers).

Our services are limited to providing you minimal broker-dealer operational support. We do not monitor accounts or accept discretionary authority. Instead, we rely on you and your appropriately registered Independent Investment Advisor (IIA) to monitor your Third Party Accounts for ongoing suitability and to help you evaluate exchanges and new Third Party Account investment products that may be in your best-interest.

Your IIA should provide you with financial advice and analysis based on your disclosed Financial Profile and Third Party Account Provider statements. You or your IIA are expected to provide us with any relevant updates that may impact your Third Party Account Provider suitability. We do not warrant or monitor your IIA advice, analysis or services.

**Given my financial situation, should I choose a brokerage service? Why or why not?"**

Insurance, annuity, mutual fund and 529 accounts are held directly with the companies that provide them, but if those investments are variable (or stock market based) in any way, a properly

registered representative with a broker-dealer must recommend them. Investments that are not variable do not require a registered representative and may be acquired directly from the company offering them.

**How will you choose investments to recommend to me?**

JBS only supports pre-existing investments by employing your chosen IIA to provide you with ongoing advice, but JBS's parent company, DPL, has consultants who may make exchange or new investment recommendations to you.

DPL consultants only recommend commission-free investments. When a DPL consultant makes a recommendation to you, they are obligated to ensure the recommendation is both suitable and in your best interest based on the information you and your IIA provide them.

You and your IIA may provide us with financial profile information detailing your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information so they may make suitable recommendations in your best interest.

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

Your Registered Representatives at JBS and DPL will have a Series 6 or Series 7 securities registration. These are FINRA regulatory qualifications that allow a representative to recommend market-based or variable investments. Obtaining these registrations demonstrates a representative possesses the knowledge needed to perform the critical functions of evaluating, screening and recommending mutual funds, variable annuities and life insurance, and 529 accounts.

**What fees will I pay?**

JBS and DPL may be compensated in three different ways.

1. JBS may be paid a recurring commissions (called trails) from your pre-existing insurance, annuity, mutual fund or 529 account for

providing ongoing broker-dealer operational support services. While these commissions are an additional cost to you, having JBS serve as your broker-dealer does not increase this cost. However, since JBS is not an Investment Advisory Firm and does not monitor accounts, JBS may enter an advisory agreement with your IIA and pay them an advisory fee to monitor your account for ongoing suitability and to determine whether your investments remain in your best interest.

2. DPL and their affiliates work with you and your IIA to identify suitable commission-free alternatives that may be in your best interest. When they do, they may operate as general agents wherein they are paid a fee from the insurance and annuity companies they recommend. The fees paid to DPL by your insurance or annuity company do not increase your cost above what you would pay if you worked directly with those insurance and annuity companies.
3. DPL may also receive Membership Fees from a your IIAs to provide analysis and monitoring tools.

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 to your investment companies.

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

When we provide you with a recommendation, we must 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.

DPL, JBS and their affiliates offer Third Party Account product investments that are limited to a preferred list of Third Party Account Providers. Consequently, we are limited in their comparisons and filters to the Third Party Account Provider product inventories. To mitigate the risk, you should compare our recommendations against products that may not be offered by us.

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

DPL, JBS and their affiliates only recommend exchanges and new purchases of commission-free investments to mitigate any conflict of interest that

may arise from transaction based fees. Furthermore, DPL, JBS and their affiliate representatives are paid salaries to further mitigate any such conflict of interest. DPL, JBS and their affiliates representatives do receive compensation incentives based on assets sold, but not based on revenues produced, thereby eliminating any incentive to recommend one higher paying product over another.

DPL has a separate subsidiary DPL Term Insurance Solutions (DPLTIS) that does recommend life insurance products that pay commissions, and those commissions vary from product to product. DPLTIS representatives do receive compensation incentives based on revenues produced, thereby creating a potential incentive to recommend one higher paying product over another. To mitigate this potential conflict of interest, DPLTIS representatives disclose comparative compensation incentives when making recommendations.

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

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

Yes. We encourage you to visit [brokercheck.finra.org](http://brokercheck.finra.org) for a free and simple search tool to research any of our financial professionals.

### **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?**

Your IIA should be your primary contact person because they monitor your accounts, but you are welcome to call and request to speak to a "JBS Principal" if you have any concerns (936) 340-2929.

To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC's toll-free investor assistance line at (800) 732-0330.

To report a problem to FINRA, call (301) 590-6500 or (800) 289-9999.

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Member FINRA & SIPC.