

GLOBAL BROKERAGE SERVICES, INC.  
CUSTOMER RELATIONSHIP SUMMARY

**ITEM 1: INTRODUCTION**

Global Brokerage Services, Inc. (GBS) is dually registered as both an investment adviser and broker-dealer with the United State Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, a member of the Financial Industry Regulatory Authority (FINRA), and a member of the Securities Investor Protection Corporation (SIPC).

As a dually-registered firm, we offer retail investors both brokerage services (on a Fully Disclosed Bases) and advisory services. Brokerage and investment advisory services fees differ, and it is important for you to understand these differences, which are summarized here and further described in our regulatory filings and disclosure materials referenced below. *Please note that not all of our financial professionals are licensed to provide both brokerage services and advisory services. Some are only licensed to provide brokerage services and if you would like to utilize GBS's advisory services, GBS can make the appropriate arrangements to facilitate your request.*

Free and simple tools are available to research the Firm and its financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

**ITEM 2: RELATIONSHIPS AND SERVICES:**

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

We offer both brokerage and investment advisory services to retail investors. However, not all of our financial professionals are licensed to provide both brokerage and advisory services. Accordingly, you should understand that all recommendations made by the Firm and its financial professionals will be in a brokerage capacity unless otherwise stated.

**Brokerage Services:** In general, the brokerage services we offer to retail investors consists of non-discretionary brokerage accounts (through our clearing firm: Hilltop Securities, Inc. "HTS" on a Fully Disclosed Basis) to purchase, sell and hold securities or through direct application with Independent Financial Institutions (Mutual Funds, Insurance Companies). In a non-discretionary account, a financial professional may provide you with recommendations, but you always make the ultimate decision to buy, sell or hold your investments. In other words, a financial professional will not enter orders or otherwise make transactions in your account unless you authorize us to do so. In general, our financial professionals do not actively monitor your investment accounts. GBS buys, sells, and exchanges many kinds of securities, but your financial professional may recommend only those securities he or she is licensed to recommend.

**Investment Advisory Services:** Our investment advisory services consist of non-discretionary account management programs (collectively referred to as the "Programs"). Non-discretionary advisory services means that for a single fee, our financial professional will provide you with advice regarding various investment programs or investment strategies, but you make the final decision about how to transact in your account. Our investment advisors will monitor your account's performance on a periodic basis, and there is no additional fee or charge associated with this account monitoring service.

**Account Minimums:** Our investment advisory programs have account asset minimums that range from \$ 30,000 to \$ 100,000. Account minimums are waivable at our discretion. Brokerage Services Accounts do not have minimum asset requirements.

**Additional Information:** More specific information about the services we provide, including the specific investment strategies offered through our Programs, and the fees you pay in connection with the brokerage and advisory services can be found in GBS' Form ADV Part 2(A): Appendix 1 Wrap Fee Platform Brochure, Third Party's Wrap Fee Brochure and Firm Brochure, HTS' Client Disclosure Brochure, or the Independent Financial Institution's Prospectus.

#### **Conversation Starters**

- 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?

### **ITEM 3: FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT**

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

The fees you will pay depend on whether you choose brokerage or investment advisory services. 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. Retail investors should be aware they may be charged more when there are more trades in his or her account, and that the firm may therefore have an incentive to encourage a retail investor to trade often. Please make sure you understand what fees and costs you are paying.

#### **Brokerage Account Fees:**

- **Commissions:** We receive a commission each time you buy or sell a security (other than a mutual fund or insurance product) when we act as an Agent. These fees are paid from your brokerage account. Commission levels vary depending on the type of security and other factors.
- **Mark-ups and Mark-downs:** When we buy securities from or sell securities to your account (also known as "principal transactions," described further in the section below), we profit from that transaction in the amount of a "mark-up" (when we are selling) or a "mark-down" (when we are buying). These amounts represent the difference between the value of the security and the amount by which you buy or sell it to us.
- **Mutual Fund/Insurance Product Loads and Contingent Deferred Sales Charges:** These are payments we receive each time you purchase or sell a mutual fund share or insurance contract. Different share classes for mutual funds or insurance contracts may come with different load or sale charges. As noted above, we do not receive commissions for mutual fund transactions in your accounts. These payments are deducted from the net value of your investment.
- **Mutual Fund 12b-1 Fees:** Mutual Fund/Insurance companies may pay us certain shareholder servicing and distribution fees ("12b-1") for our efforts in selling and servicing the fund shares. While fees are not paid from your account, they are deducted from the net asset value of the mutual fund/insurance contract and, as a result, such fees decrease the value of your fund shares.
- **Account Maintenance Fee:** A charge for services related to maintaining your account with our clearing firm (HTS).

#### **Advisory Fees:**

- **Wrap Fee:** A single fee, paid in advance each quarter, for all the services offered through a specific investment advisory program. The fee amount varies by investment program. Because the asset-based fees associated with the Program will include most transition costs and fees to the Firm, they are higher than a typical asset-based advisory fee. You typically pay a wrap fee from the account assets.

**Other Fees:** In addition to those described above, our clearing firm, HTS, will charge fees for a number of services it provides that are apart from the brokerage and advisory services we described above. For example, they will charge fees for maintenance of certain accounts, like individual retirement accounts, and to process certain kinds of transactions, like account withdrawals and transfers. You will pay these fees and cost 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.

**Addition Information:** You can find additional information about the fees in HTS' Customer Information Brochure, GBS' Form ADV Part 2(A): Appendix 1 Wrap Fee Platform Brochure, the Third Party's Managed Account Client Disclosure Brochure-Wrap Fee Program Brochure, and the Independent Investment Institution's Prospectus.

**Conversation Starter:** Help me understand how these fees and cost might affect my investments. If I give you \$10,000 to invest, how much will go to fees and cost, 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 your 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:

- **Riskless Principal Transactions:** When we recommend that you buy or sell securities, we may be the counter-party that sells you the security or buys it from your account. When that occurs, we have engaged in a "principal transaction." When principal transactions occur, we have an incentive to sell securities to you at a higher price (and buy them at a lower price) than we could if we sold the securities elsewhere. When principal transactions occur, we will disclose it to you, in writing, on your trade confirmation.
- **Third Party Payments:** In general, we only offer mutual funds/insurance contracts that pay commissions. As a result, we have an incentive to offer those mutual funds/insurance contracts over securities that do not pay us such fees, and we have an incentive to limit the mutual funds/insurance contracts available for purchase to those that agree to pay such fees to us.

GBS mitigates against these and other conflicts of interest through the administration and review of Products and Services offered by the Principals of GBS.

**Addition Information:** You will find additional information regarding conflicts of interest in our Brokerage Services Disclosure Brochure, Form ADV Part 2(A): Appendix 1 Wrap Fee Platform Brochure, HTS' Client Disclosure Brochure, and Third Party Advisory Firm's Managed Account Client Disclosure Brochure-Wrap Fee Program Brochure.

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

### ***How do our Financial Professionals make money?***

Your financial professional receives a percentage of the fee revenue he or she generates for GBS. Fee revenue includes commissions, loads, contingent deferred sale charges, and 12b-1 fee when your financial professional provides brokerage services and wrap fees when he or she provides advisory services. Therefore, your financial professional has an incentive to encourage you to buy and sell securities more frequently or to participate in one of our Programs. He or she may charge more fees for certain securities, strategies, products or services due to the time and complexity involved in recommending or providing such securities, strategies, products, or services. The charging of different fees in this manner is call "differential compensation."

Your financial professional also has an incentive to encourage you to move your account from another firm to GBS or from your retirement plan to GBS in order to increase GBS or his/her own compensation. As we discussed above, a financial professional's recommendations, investment advice, or non-discretionary investment decisions will also benefit GBS.

#### **ITEM 4: DISCIPLINARY HISTORY**

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

Yes. GBS and certain of our financial professionals have a disciplinary history. For the most current records of legal or disciplinary history of GBS or its financial professionals, you should go to <https://www.investor.gov/CRS>. BrokerCheck and Form ADV for a free and simple tool to research GBS and our financial professionals.

<b>Conversation Starter:</b> As a financial professional, do you have any disciplinary history? For what type of conduct?
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#### **ITEM 5: ADDITIONAL INFORMATION**

You can obtain additional information about HTS by visiting [www.hilltopsecurities.com](http://www.hilltopsecurities.com) or through their Customer Relationship Disclosure Brochure. More information regarding Third Party Wrap Fee Managers offered through our Program may be obtained in their respective ADV Part2(a) Brochure.

You can find additional information about the services we provide, fees you pay, and conflicts of interest by visiting [www.globalbrokers.net](http://www.globalbrokers.net) or calling the Home Office at 410-785-4990. If requested, your financial professional will provide you a copy of Form CRS (at no charge) or you can also obtain a copy at [www.globalbrokers.net](http://www.globalbrokers.net). Additional services or fees regarding Mutual Fund or Insurance Products may be obtained from the Institution's Website.

<b>Conversation Starter:</b> 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?
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