



# Form CRS Customer Relationship Summary

For Dual Registrants

PARK AVENUE SECURITIES LLC RELATIONSHIP SUMMARY DISCLOSURE – April 2024

## ITEM 1. INTRODUCTION

Park Avenue Securities LLC ("PAS") is registered with the Securities and Exchange Commission ("SEC") as both a broker-dealer and an investment adviser. Our brokerage and investment advisory services and fees differ, and it is important for you to understand these 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), which also provides educational materials about broker-dealers, investment advisers, and investing.

## ITEM 2. RELATIONSHIP AND SERVICES: WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

### **Broker-Dealer Services**

As a broker-dealer, we can recommend and effect securities transactions for you, including buying and selling securities (including investment funds and products) that can be either held in accounts with Pershing LLC ("Pershing"), our clearing firm ("brokerage accounts"), or in limited circumstances, held in accounts directly with the issuer of the securities purchased (sometimes referred to as "directly held accounts"). We also offer Individual Retirement Accounts ("IRAs"), where your investments will be held with the custodian of the IRA. In addition, our brokerage accounts offer the option to hold cash in either money market funds or a bank account insured by the Federal Deposit Insurance Corporation (a "cash sweep vehicle"). More information about our broker-dealer services as well as conflicts of interest related to the cash sweep vehicles is available in our Regulation Best Interest disclosure found within our Best Interest and Form CRS Web Page at <https://www.parkavenuesecurities.com/BestInterestDisclosureandCRS>.

**Account Monitoring:** While we remain available to assist you, after effecting a securities transaction for you (including those we recommend to you), we do not monitor your account.

**Investment Authority:** We do not have or offer discretionary investment authority over brokerage accounts, which means that we cannot buy or sell investments in your account without first obtaining your consent. We may recommend investments to you, but you are responsible for making the decision whether to purchase or sell investments.

**Limits on Investment Offerings:** For certain product types we limit our investment offerings to a specific menu of investment funds or products based on a firm-level due diligence process and other reasonable factors. We do offer variable products, such as variable annuities and variable life, manufactured by our affiliate, The Guardian Insurance & Annuity Company, Inc. ("GIAC") ("proprietary investments"). Not all PAS financial professionals can offer the full range of broker-dealer investments and services PAS offers based on the different licenses such individuals may retain (i.e., Series 6 versus Series 7) and which products may be best suited for a client, depending on the specific circumstances and needs of the client.

**Account Minimums and Other Requirements:** We do not have any minimum account requirements for our brokerage accounts, but some of the investments you can purchase through us have minimum investment requirements.

### **Investment Advisory Services**

As an investment adviser, we provide investment advice to you for a fee, including investment advice with respect to particular investments, as well as wrap fee programs and other investment advisory programs. More information about our investment advisory services is available on our Form ADV brochures found within our Form ADV Brochures Web Page at <https://www.parkavenuesecurities.com/form-adv-brochures>.

**Account Monitoring:** You must open a brokerage account with us to participate in investment advisory programs that we sponsor (your "advisory account"). We monitor this advisory account on an ongoing basis as part of our advisory services for the programs we sponsor ("Proprietary Programs"). In advisory programs sponsored by third-party advisers ("Third-Party Advisory Programs") you open an account with a custodian selected by the third-party adviser. The frequency and limitations of our monitoring of Third-Party Advisory Programs depends on the advisory program that you select and if we are considered a co-adviser for such program, in which case we monitor accounts, or act as a solicitor, in which case we do not provide ongoing monitoring. We do not monitor any other accounts (besides your advisory account) as part of our advisory services.

**Investment Authority:** You can grant us or your Investment Adviser Representative ("IAR") authority to buy and sell securities in your advisory account (consistent with your investment objectives and with restrictions you place on this authority that we agree to) without asking for your consent in advance (also known as discretion), or you may choose an arrangement in which we provide you with investment advice and you decide whether to accept or reject the advice.

**Limits on Investment Advice:** For certain advisory programs we limit our investment offerings to a specific menu of investment funds or products based on a firm-level due diligence process and other reasonable factors. We also provide investment advice with respect to Proprietary Programs. Not all PAS financial professionals can offer our investment advisory services, our Proprietary Programs, or Third-Party Advisory Programs.

**Account Minimums and Other Requirements:** Account minimums for advisory programs vary, but generally start at a minimum of \$5,000.

**ADDITIONAL INFORMATION:** For a listing of account minimums and other requirements, in addition to fees and costs please review our Form ADV Park Avenue Securities Firm Brochure within the [Form ADV Brochures Web Page](#) and our Regulation Best Interest Disclosure within

the [Best Interest and Form CRS Web Page](#). The full URLs for these disclosures can be found above and typed into your browser.

**Conversation Starter:** 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?

**Conversation Starter:** How will you choose investments to recommend to me?

**Conversation Starter:** 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

#### A. WHAT FEES WILL I PAY?

##### **Broker-Dealer Services**

**Description of Principal Fees and Costs:** For our broker-dealer services, we are paid each time you trade in your brokerage account or make a new investment. This payment is typically called a “commission,” but it may also be called a “sales charge” or a “markup.” This kind of payment presents a conflict for us because it creates an incentive to encourage you to trade more and make additional investments. The commission rate or amount varies depending on the investment and the size or amount of the transaction. More information about commission payments, including the commission schedules we use, is available within our Client Fee Schedule located at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017964>. In addition, investments that are interests in investment funds, such as mutual funds or products, such as 529 plans and insurance products, bear ongoing fees and expenses, which you pay indirectly because they are factored into the cost of the investment. Below is information about the fees and costs you will typically pay or bear for the types of investments generally purchased or traded by our retail investors. The list of product types below represents the core products sold at PAS. It is not a complete list of all product types sold. Information about all product types sold at PAS and their fees and costs is available within the [Best Interest and Form CRS Web Page](#).

##### **Investments**

**Equities:** You will typically pay a commission every time you buy or sell an equity, such as a stock of a publicly traded company.

**Bonds:** You will typically pay a markup (or commission) every time you buy or sell a bond, such as a corporate, government, or municipal bond.

**Options:** You will typically pay a commission every time you buy or sell an option contract.

More information about commission payments, bond markup payments, and option contract commission payments is available within the [Client Fee Schedule](#). The full URL for the Client Fee Schedule can be found above under Item 3, Part A, Broker-Dealer Services.

##### **Investment Funds**

**Mutual Funds:** You will typically pay an up-front sales charge or load when you buy shares in a mutual fund. Mutual funds typically also deduct other ongoing fees and expenses, such as 12b-1 fees, management fees, or servicing fees, from fund assets.

**ETFs:** You will typically pay a commission every time you buy or sell shares in an ETF. ETFs also deduct other fees and expenses, such as management fees, from ETF assets.

More information about mutual fund and ETF fees and expenses are available within the product prospectus. More information about fees and costs charged by PAS for transacting in mutual funds and ETFs is available within the [Client Fee Schedule](#).

##### **Investment Products:**

**529 Plans/Education Savings Plans (“529 Plans”):** You may pay an up-front sales load when you purchase a 529 plan and may also pay other fees at the time of purchase. 529 plans typically also deduct other ongoing fees and expenses, including account maintenance fees and management fees, including for underlying investments. More information about 529 plan fees and expenses are available within the product prospectus. More information about fees and costs charged by PAS for transacting in 529 plans is available within the [Client Fee Schedule](#).

**Insurance Products:** When you purchase an insurance product like a variable annuity, you will indirectly pay a commission, which is factored into the cost of the insurance and is paid by the issuing insurance company to us. More information about these insurance commissions and other fees and expenses built into the cost of the insurance is available within the product prospectus. More information about fees and costs charged by PAS for transacting in insurance products are available within the [Client Fee Schedule](#).

**Description of Other Fees and Costs:** In addition to the foregoing investment fees, you will typically pay, and we will receive a portion of, certain fees associated with your brokerage account, including fees paid to the clearing firm or account custodian, as well as fees for certain services that you select, such as wire transfers or margin, and a termination or transfer fee when your brokerage account is terminated or transferred to another broker-dealer. In some instances, these fees may be waived.

##### **Investment Advisory Services**

**Description of Principal Fees and Costs:** For our investment advisory services, we are paid based on a percentage of the assets for which we provide investment advice in your advisory account, typically referred to as an “advisory fee.” We may also earn an hourly fee or fixed fee as compensation for financial planning and consulting services. The advisory fee, which is generally charged quarterly, presents a conflict because it creates an incentive for us to encourage you to increase the assets in your advisory account, as the assets in your advisory account increase, the more you will pay us in advisory fees. In addition, depending on the advisory program, we may receive more compensation when our financial professionals provide advisory services than when they provide broker-dealer services, which creates an incentive for us to recommend an advisory account. More information about these advisory fees in the applicable brochure available within the [Form ADV Brochures Web Page](#). In addition to these advisory fees, the following are the other fees and charges you will typically pay in connection with your advisory account.

**Wrap Programs:** If your advisory program is a “wrap” program, you will typically pay a wrap fee, which includes the advisory fee and the costs for the

execution of securities transactions and other services. The wrap fee is usually higher than the advisory fees for non-wrap programs because it includes these transaction costs, which are “wrapped” together with the advisory fee (i.e., you will not pay a separate advisory fee). A wrap fee presents a conflict because it creates an incentive for us to (i) encourage you to increase the assets in your account in order for you to pay us more in wrap fees and (ii) not trade in your account, since we must pay our clearing firm charges for the costs of trading in such programs. More information about these wrap fees is available within the [Form ADV Brochures Web Page](#).

**Financial Planning Services:** We also offer financial planning services in which the financial professional will negotiate the financial planning fee based upon the overall experience of the financial professional, a client’s financial needs and investment objectives, the time necessary to develop a plan, the complexity of a plan and if the financial planning is based on ongoing financial planning services to the client or a one-time plan.

**Ticket Charges:** You will typically pay a transaction fee in the form of ticket charges, to buy and sell investments, unless your advisory account is in a wrap program. We receive a portion of these transaction fees in our capacity as a broker-dealer on securities transactions arising with respect to investment advisory programs that we sponsor, which presents a conflict because it creates an incentive for us to encourage you to trade more. It also creates an incentive for us to recommend investment advisory programs that we sponsor as compared to investment advisory programs that are sponsored by third parties. More information about these transaction fees as well as disclosures related to trading away in Proprietary Programs is available in the [Form ADV Brochures Web Page](#) and our [Trade Away Disclosures located at <https://www.parkavenuesecurities.com/flysystem/s3?file=2019-09/Park Avenue Securities Trade Away Disclosures 091819.pdf>](#).

**Fees Related to Specific Investments:** You will typically pay fees related to certain investments in your account. We receive a portion of these investment fees (i.e., 12b-1 fees) in our capacity as a broker-dealer, which presents a conflict because it creates an incentive for us to encourage you to purchase investments that pay us these fees. More information about these fees, including the operating expenses for mutual funds, ETFs, and other pooled investment vehicles, and about redemption fees is available within the product prospectuses and our [Client Fee Schedule](#).

**Description of Other Fees and Costs:** In addition to the fees described above, you may pay, and we may receive a portion of, certain fees associated with your advisory account, such as account opening fees, account termination fees, and account transfer or liquidation fees, depending on the advisory program, which include fees paid to the clearing firm or account custodian for their services, unless your account is a wrap program (in which case, some of these fees may not be charged).

**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. Detailed information about fees and costs can be found in *Item 5 (Fees and Compensation) of the Park Avenue Securities Firm Brochure* found within the [Form ADV Brochures Web Page](#).

**Conversation Starter:** 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?

**B. 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 interests 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 to you. Here are some examples to help you understand what this means.

**Broker-Dealer Examples**

Because we are paid each time you trade in your account or make a new investment, we have an incentive to encourage you to trade more and make additional investments. These transaction-based payments, or commissions, create a conflict of interest for us because of the incentives to encourage more trading and additional investments. Here are additional examples of incentives created by some of the payments we receive.

**Proprietary Investments:** We offer variable products issued by our affiliate GIAC that include certain underlying variable investment options whose investment adviser is also an affiliate of PAS (Park Avenue Institutional Advisers LLC (“PAIA”). In addition, PAIA acts as the sub-adviser for certain mutual funds that are available through PAS. These proprietary investments create a conflict for us because our affiliates also receive fees and compensation when you purchase a product they issue, sponsor or manage. PAS makes available alternative investment funds issued by HPS Investment Partners, LLC (“HPS”). PAS’ parent company owns a minority stake in HPS. While not considered a proprietary investment, this minority ownership creates a similar conflict as described above.

**Third-Party Payments:** When we sell an investment fund or product to you as a broker-dealer, we receive payments from the issuer (such as a mutual fund or insurance company) and their sponsors or managers, and we may also receive ongoing payments, such as 12b-1 fees, from them. These payments create an incentive for us to sell you investments that entail such payments and to maintain our relationships with the issuer and their affiliates. Since the amount of compensation we receive varies among and between the issuers and the different investments and types of investments that we offer as a broker-dealer, we have an incentive to sell you those investments that pay us more compensation.

**Revenue Sharing:** In addition to the third-party payments discussed above, many issuers and fund sponsors or managers make payments to us that are sometimes called “revenue sharing” payments because they share with us a part of the revenue that they earn on your investments in their funds or products. These payments are an incentive for us to offer or continue offering investments and services that entail such payments and to encourage you to increase the amount of assets in those investments. Our clearing firm pays us revenue sharing on the total assets placed on the clearing firm’s platform annually and will also pay us revenue sharing based on year over year growth of on-platform assets, which includes on-platform asset growth of an affiliated entity, Park Avenue Investment Advisory LLC.

### **Investment Advisory Examples**

Since we are paid based on the assets in your advisory account, the more assets there are in your account, the more you will pay in fees, so we have an incentive to encourage you to increase the assets in your advisory account. In the case of wrap programs, we retain a greater portion of the program fee if we minimize the trades or trading costs in the wrap program, so we have a conflict because wrap programs encourage us to minimize trading costs to retain a higher portion of the wrap fee. Here are additional examples of incentives created by certain payments we receive.

**Proprietary Programs:** We recommend advisory programs which we sponsor. These Proprietary Programs create a conflict for us because a Proprietary Program is more profitable to us than programs sponsored by unaffiliated firms.

**Third-Party Payments:** When we select or recommend mutual funds as the investments for your advisory account, we receive 12b-1 fees or servicing fees from some of the funds (in our capacity as a broker-dealer). These fees create an incentive for us to select or recommend those funds as investments for your advisory account and to encourage you to increase the amount of assets in your advisory account. Although in most instances within investment advisory Proprietary Programs, the 12b-1 fees shall be credited back to clients, which eliminates this conflict.

**Revenue Sharing:** In addition to the third-party payments discussed above, some of the investment managers and other service providers (e.g., clearing firms), for our advisory programs share a part of the revenue with us in our capacity as a broker-dealer in connection with your advisory account assets, including assets in a cash sweep vehicle. These payments create an incentive for us to select or recommend those investment managers and service providers for your advisory account assets and to encourage you to increase the amount of assets in your account. More information about these revenue sharing payments is available in various sections of the Reg BI Disclosure at <https://guardianpublic.hartehanks.com/AssetDisplay?acc=11GI&itemCode=PAS017966>.

**ADDITIONAL INFORMATION:** For more detailed information about conflicts of interest please review the [Best Interest and Form CRS Web Page](#).

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

### **C. How Do Your Financial Professionals Make Money?**

We pay our financial professionals a portion of the commissions or investment advisory fees that we receive. As noted above, the commissions we receive generally vary based on the investments purchased and sold, and the advisory fees we receive generally vary based on the investment advisory program selected. Such compensation creates an incentive for our financial professionals to sell more investments as a registered representative of our broker-dealer and to increase advisory account assets as an associated person of our investment adviser. Upon reaching certain total commission thresholds, we provide the financial professional with limited reimbursement credits, which can be used to reduce the financial professional's business expenses which incentivizes the financial professional to sell more products. We also count the receipt of commissions and investment advisory fees toward certain qualifying rewards for our financial professionals, including clubs and awards. These qualifying rewards present a conflict because they create an incentive for the financial professional to encourage you to do more trading and investment transactions in your broker-dealer account and to increase your assets in your advisory account in order to receive more commissions and advisory fees, respectively, and therefore qualify for these rewards. More information about these qualifying rewards is available in the *Conflicts of Interests for Financial Professionals* section of the [Reg BI Disclosure](#).

In the case of certain investment funds and products, the issuer or the sponsor provides our financial professionals other forms of compensation, including business entertainment, expense reimbursement for travel associated with educational or similar business meetings, financial assistance in covering the cost of marketing and sales events, and small gifts. In addition, depending on the specific type of investment advisory program, certain financial professionals may receive similar forms of other compensation from the sponsors or managers of those programs, including business entertainment and business travel expense reimbursements. The receipt of these payments presents a conflict because it creates an incentive for the financial professional to recommend those investments or funds whose issuers or sponsors offer these forms of compensation. More information about these forms of compensation is available in the *Conflicts of Interests for Financial Professionals* section of the [Reg BI Disclosure](#).

Our affiliates may also provide subsidies for retirement, medical and other employee benefits to financial professionals based on qualification criteria. This creates an incentive to financial professionals to make securities recommendations and accrue assets in your advisory account in order to meet the qualifications for these benefits and may also create an incentive to recommend the affiliates' products.

### **ITEM 4. DISCIPLINARY HISTORY: DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

Yes. PAS and our financial professionals have legal and disciplinary disclosures. Please visit <https://www.investor.gov/CRS> for a free and simple search tool to research us and our financial professionals.

**Conversation Starter:** As a financial professional, do you have any disciplinary history? For what type of conduct?

### **ITEM 5. ADDITIONAL INFORMATION**

For additional information about our broker-dealer services and our investment advisory services, please visit [www.parkavenuesecurities.com](http://www.parkavenuesecurities.com). You can request a copy of this Form CRS Customer Relationship Summary by contacting us in writing at 10 Hudson Yards, New York, NY 10001. You can also call us at 888-600-4667 to request up-to-date information and request a copy of this Form CRS Customer Relationship Summary.

**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?