

## **Phillips & Company**

### **Form CRS Customer Relationship Summary**

**for Phillips and Company Advisors, LLC. and Phillips & Company Securities, Inc.**

Phillips and Company Advisors, LLC. is an investment adviser registered with the Securities and Exchange Commission (SEC) as well as an affiliate of Phillips & Company Securities, Inc., a broker-dealer and member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

*Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/crs> which also provides educational materials about broker-dealers, investment advisers, and investing.*

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

Phillips & Company offers both investment advisory services and brokerage services.

#### **Advisory Services**

We provide fee-based, asset allocation services directly to retail investors, high net worth individuals, trusts, estates, charitable organizations, business entities, family office clients and other individual and institutional investors. We also offer managed portfolio services through third-party investment managers.

**Monitoring** – We will consult with you to develop an investment strategy that is consistent with your goals and risk objectives. We will monitor your accounts to the agreed upon strategy and offer advice on a regular basis as part of our standard service. We will contact you at least annually to discuss your accounts.

**Investment Authority** – You may choose that we manage your account on a discretionary basis. This means that we may buy and sell investments in your account, based on your investment strategy, without asking you in advance. You may also choose non-discretionary account management. This means that we may give you advice and you decide what investments to buy and sell.

The third-party investment managers that we make available to you will manage your account on a discretionary basis.

**Investment Offerings** – We do not limit or restrict our advice to certain products or investments. Depending on your investment strategy, or manager selection, you may receive advice with respect to a broad range of investments or a limited range of investments.

**Account Minimums** – We do not have minimum investment amounts or conditions required for establishing an account managed by Phillips and Company.

**Additional information** - More detailed information about our investment advisory business, client types, account minimums and investment strategies are included in Items 4, 7 and 8 in our Form ADV, Part 2A ("Brochure"). <https://phillipsandco.com/firm-form-adv/>

## Brokerage Services

Our brokerage services include buying and selling securities at your direction and providing you with investment recommendations, research, financial tools, planning services, and investor education from time to time or at your request.

Unless we separately agree in writing, we do not monitor your brokerage account and you make the ultimate decision regarding the purchase or sale of investments.

We can offer you additional services to assist you in developing and executing your investment strategy and monitoring the performance of your account, but you might pay more. You will receive account statements at least quarterly in paper or electronic format.

We offer mutual funds, exchange traded funds (ETFs), domestic and international equities, options, fixed income securities, certificates of deposit (CDs) and may offer other products upon request.

There is no minimum account size required for our brokerage services at this time.

## 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?"

## *What fees will I pay?*

The fees you pay will depend on whether you choose brokerage services, advisory services, or both and may vary based on the services you select. Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.

### **Advisory Fees**

As an advisory client you will pay an ongoing, asset-based fee. This fee is calculated based on the value of assets under management and is billed in advance, on quarterly basis. The asset-based fee will be deducted from your accounts. The more assets you have in your advisory accounts, the more you will pay us. We therefore have an incentive to increase the assets in your advisory account in order to increase our fees. Our fees vary and are negotiable.

For some advisory accounts, called wrap fee programs, the asset-based fee will include additional transaction fees and as a result, wrap fees are typically higher than non-wrap advisory fees. Paying for a wrap fee program could cost more than separately paying for advice and for transactions if there are infrequent trades in your account.

In certain cases, we may select third party money managers, sub-advisers, and/or separate account managers to assist us with managing your account. If selected, they will charge you a fee, which will be described to you in their Form ADV and/or agreement.

For certain accredited investors, utilizing specific investment strategies, we may charge a performance-based fee based on the growth of the account.

You may also incur miscellaneous fees imposed your by account's custodian including but not limited to wire fees, transfer fees, bank charges and other fees.

Certain investments may impose additional fees and expenses that are included in the expense ratios of those investments, including mutual funds and ETFs.

*Additional information about our fees is in Item 5 of our Firm Brochure which is available online at: <https://phillipsandco.com/firm-form-adv/>*

### **Brokerage Fees**

For brokerage services, the principal fees and costs are transaction-based fees for recommendations and execution of securities trades. Depending on the investment product you select, these fees can include up-front commissions, as well as fees that are charged on an on-going basis for as long as you hold the investment ("trails").

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, and what kind of account you have. Therefore, we have an incentive to encourage you to trade more frequently and in greater amounts because we receive more revenue when you do so.

You will also pay fees for custodial or administrative services, as well as fees and expenses that are included in the expense ratios of certain of investments, including mutual funds and ETFs.

**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.**

## **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?

*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 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 and investment advice we provide you. Here are some examples to help you understand what this means.**

- **Proprietary Products:** We may earn higher fees, compensation, and other benefits when you invest in a product that we advise, manage, or sponsor, such as our Investor Advantage wrap-fee accounts. As such, we could have an incentive to recommend those products over third-party products.
- **Custodial Services:** We recommend the use of Pershing or PAS for custody of client funds. These custodians provide us with certain tools and services at no additional cost that benefit us but may not benefit our clients. The receipt of such resources assist us in managing and administering our clients' accounts and others help us develop our business. This creates a conflict of interest as it gives us an incentive to have clients custody their assets with one of these custodians. We also receive compensation based upon the amount of assets held at Pershing. This creates an incentive to recommend Pershing over other qualified custodians.

## CONVERSATION STARTER

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

Additional information about our conflicts of interest is located in Item 10 &12 of our Firm Brochure which is available online at: <https://phillipsandco.com/firm-form-adv/>

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

Our financial professionals are compensated based on the revenue our firm earns from their advisory services or recommendations, the amount of client assets they service, and the time and complexity required to meet a client's needs.

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

Phillips and Company Advisors, LLC. – No.

Phillips & Company Securities. - Yes.

Please visit <https://www.investor.gov/> for a free and simple search tool to research our firm and our financial professionals.

### *Additional Information:*

- You can find additional information about our firm's investment advisory services on the SEC's website at <https://adviserinfo.sec.gov/> by searching CRD #167214
- You can find additional information about our firm's broker-dealer services at BrokerCheck <https://brokercheck.finra.org/> by searching CRD # 35800
- Please visit our website <https://phillipsandco.com/> for additional information regarding our service.
- You may also contact us at (503) 224-0858 or [llawson@phillipsandco.com](mailto:llawson@phillipsandco.com) to request a copy of this relationship summary and other up to date information

## CONVERSATION STARTERS

- 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?