

This disclosure summarizes important information concerning the scope and terms of the services we offer through our broker dealer and details the material conflicts of interest that arise through our delivery of these services. Please review this information carefully, along with any applicable account agreement(s), disclosure documentation and our Customer Relationship Summary (“Form CRS”).

Please carefully review and consider the information in each section below.

- Brokerage Services, Products and their Related Fees
- Our Compensation and Conflicts of Interest
- Additional Resources

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Brokerage Services, Products and their Related Fees Our Compensation and Conflicts of Interest Additional Resources

Brokerage Services, Products and their Related Fees

Cash Brokerage and Margin Brokerage Accounts

We offer the following types of accounts to our clients, through our relationship with Fidelity Clearing and Custody Solutions (“FCCS”):

- Cash account – purchases paid in full at time of purchase.
- Margin account – Purchases are paid by an extension of credit, collateralized by the securities in your portfolio. Margin is a loan, which entails margin interest charges. Purchasing securities on margin entails risk, including the risk of a “margin call”, where a reduction in equity in your portfolio (due to market movements and/or withdrawals from the account) may cause a request for funds or a liquidation of securities to cover the debit. Please refer to the Margin Agreement for additional information.

When we act as your broker, we earn more, depending on the types, frequency and amounts of your trades and the products you choose to invest in. We are compensated by the transaction-based fee and account fees you pay us and the markups, markdowns, when acting as principal or riskless principal and selling concessions we derive from principal trades. We also receive payments from third parties, including the investment products in which you invest and their sponsors. The amount of revenue generated by your Representative for the firm is among the factors considered in measuring your Representative’s overall performance and determining their opportunity for a discretionary bonus.

Account Registration Types

We offer the following type of registrations to our clients:

- Individual
- Joint
- Transfer on Death (“TOD”)
- Custodial
- Retirement Accounts: Individual Retirement Account (“IRA”), ROTH IRA, Rollover IRA
- Retirement Plan Accounts – 401k, Profit Sharing, Keogh
- Estate/Trust
- Corporate

Clearing Services

Flagstar Advisors, Inc., utilizes Fidelity Clearing and Custody Solutions (“FCCS”) as our Clearing Firm. There may be additional fees and charges that you will pay for clearing. These fees include, but are not limited to:

- Account Maintenance Fees
- Wire Transfer Fees
- Transaction-Based Fees
- Product-Specific Fees

Understanding Risk

Through discussions prior to opening an account with us, and periodically, we will gain an understanding of your risk levels so that we can provide you with appropriate investment and overall portfolio recommendations. We understand the importance of understanding your risk tolerance, your investment objectives, liquidity needs, time horizons, both for individual securities and for your overall portfolio and your overall investment goals. We will work with you on portfolio management and discuss any changes in any of these important items. It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your “risk tolerance,” meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns.

Equities

Investing in individual equities provides direct access to specific companies and gives the investor shares of ownership, or “equity”, in these companies. These shares are bought and sold in the public stock market which generally provides daily liquidity. Individuals and firms buy shares of stock on a stock exchange in anticipation of income from profits in the form of cash or stock distributions (called dividends) and an increase in the value of their shares (called capital gains). Of course, if the company or the overall market is not doing well, then the dividend may be reduced or eliminated, and the value of the stock may decline.

Debt Securities

Fixed income securities are debt securities that make scheduled payments to the investor through the security’s maturity date. We offer a variety of fixed income securities, including U.S., state, municipal, governmental agency and corporate bonds. We generally trade fixed income securities with you as principal (or riskless principal), buying securities from you and selling them to you for our own account. On occasion a fixed income trade may be executed on an agency basis in which case a commission will be charged.

We recommend fixed income securities based on our customers’ investment profiles and generally where a customer has a current income need and seeks reduced risk to their capital, as opposed to those who seek higher rates of return and can withstand higher investment risks that other products, such as equity securities offer. Investments in fixed income securities may also be recommended to help customers diversify their holdings based on their investment objective, risk appetite, and time horizon.

Mutual Funds

Mutual funds are a type of pooled investment vehicle. Shareholders of a mutual fund invest their money by purchasing shares of the fund. The money that they pay for the shares is pooled together and invested in a portfolio of securities, such as stocks, bonds, or money market instruments. Mutual funds are professionally managed and operated by money managers, who maintain the portfolio in accordance with the fund’s investments objectives as stated in the prospectus.

Mutual funds are a core offering for retail investors, which offer built-in diversification along with professional management. The recommendation of particular mutual funds is based upon each customer’s individual circumstances, including risk tolerance, goals and time horizon, and other information you disclose to us.

Mutual fund investments are subject to the general risks of investing noted above which include the fact that investment returns, and the share value of all mutual funds fluctuate with market conditions or other factors. You may receive more or less than your original investment when you redeem your shares. A fund will invest the assets according to its own investment strategy outlined in the prospectus. The prospectus will also discuss the fund's risk profile, performance history, management, and fees. Importantly, since mutual funds allow for investing in a wide variety of underlying securities, the most important source for understanding the risks of a fund is its prospectus. Review the prospectus carefully and discuss the recommended fund or funds' risks with your Representative before acting on his or her recommendation.

Mutual fund shares come in different classes, each with different fees and fee structures. We offer and recommend A and C share classes. Specific fees and fee structures of each share class, including the amount charged and when it is collected, vary depending on the mutual fund. Please review the mutual fund's prospectus for the specific details.

Annuities

Annuities typically offer tax-deferred growth, guaranteed retirement income and death benefit options for customers looking to supplement retirement income. When you buy an annuity, you enter into a contract with an insurance carrier, which agrees to make periodic payments to you (or your beneficiary) based on the amount you invest. These payments can start immediately (an immediate annuity) or at some future time (a deferred annuity). As a broker-dealer, we offer variable annuities, and as an insurance agent, we offer three types of fixed annuities (single premium immediate annuities, deferred income annuities and traditional deferred fixed annuities). All of our representatives are licensed to sell both variable and fixed annuities.

We generally recommend investments in annuities when a customer's investment profile indicates that a long-term, tax-deferred investment with some down-side protection would be appropriate to meet the customer's investment objectives. Annuities' unique benefits such as tax deferred accumulation and the potential for guaranteed retirement income sets them apart from other wealth products that do not offer these benefits. Some variable annuities also offer optional death benefit riders.

Flagstar Advisors, Inc., earns a commission from the insurance carrier when it sells an annuity. The commission is a percentage of the insurance premium you paid. The amount of the upfront sales commission, or first-year commission, that we receive for selling you an annuity varies, and is based upon the specific product and its terms and conditions.

The compensation that we earn from your investments in annuities when we act as your broker-dealer creates incentives for us to promote and recommend that you purchase them from us. Further, we may earn more from some annuities than others, which creates an incentive for us to promote and recommend those annuities that pay us more over those that pay us less.

Annuities incur several other fees and expenses (charged by the carrier) that are discussed in detail in annuity contracts and prospectuses. These fees and expenses vary depending on the type of annuity you purchase and other factors, and can include annual fees and expenses, withdrawal fees, and maintenance fees. Please review the respective annuity's prospectus for specific details.

Derivatives

Options are a type of financial instrument that offer the customer the right either to buy or sell a specified amount or value of a underlying asset at a fixed price on a specified date. Options are tied to an underlying security (e.g., a stock, ETF, index, or foreign currency) and give you the right to either buy or sell a specified amount or value of the security at a fixed exercise price by exercising the option before its expiration date. An option that gives you a right to buy is a "call option," and an option which gives you a right to sell is a "put option." Options are considered a complex product and not all customers will be approved to trade in options with us. Further, we must first approve each interested customer for a level of trading, or option strategy, based upon individual customer circumstances including experience, investment objectives and risk tolerance. Please ask your Representative for more information about our requirements in order to be considered to trade options. Please review the Options Disclosure Document before investing in options.

Our Compensation and Conflicts of Interest

When we act as your broker-dealer, we earn more, depending on the types, frequency and amounts of your trades and the products you choose to invest in. We are compensated by the transaction-based fee and account fees you pay us and the markups, markdowns and selling concessions we derive from principal trades. We also receive payments from third parties, including the investment products in which you invest and their sponsors.



Trail Compensation

Ongoing compensation from Product Sponsors may be received by us and shared with our Registered Representatives. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails.

Compensation We Receive From Clients

- Transaction-based fees
- Markups and markdowns for principal/riskless principal transactions
- Account maintenance and other administrative fees

Compensation Received by Financial Professionals

- % of revenue generated from sales of products/services
- Upfront transaction-based compensation
- Product-Based Trail payments – Mutual Funds/Annuities
- Bonuses – Discretionary - the amount of revenue generated by your Representative for the firm is among the factors considered in measuring your Representative's overall performance and determining their opportunity for a discretionary bonus.

Additional Resources

Title	Web address
Form CRS	https://www.flagstar.com/private-bank/client-solutions/wealth-management/regulatory-summaries-and-disclosures.html
Margin Disclosure	https://www.flagstar.com/private-bank/client-solutions/wealth-management/regulatory-summaries-and-disclosures.html
Options Disclosure	https://www.flagstar.com/private-bank/client-solutions/wealth-management/regulatory-summaries-and-disclosures.html