

# FIRST SECURITIES NORTHWEST, INC (01/11/23)

## CUSTOMER RELATIONSHIP SUMMARY

### **INTRODUCTION**

First Securities Northwest (“FSNW,” “we,” “our,” or “us”) is a broker-dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). The Firm's clearing firm is Hilltop Securities Inc. (HTS).

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences and find which account and service is right for you. You can use the “*Conversation Starters*” to ask us for more information. Free and simple tools are available to help you 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.

### **I. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?**

- We provide you full-service brokerage services through our clearing firm HTS
- The ability to buy and sell, domestic and international equities, ETF’s, options, and, in limited circumstances, Private Funds; and – Periodic investor education at our discretion, or at your request. Other firms may offer a wider range of choices, some of which might have lower costs.
- We may provide you recommendations to buy or sell certain securities, but we do not provide ongoing investment monitoring and you make the ultimate decision regarding the purchase or sale of any investments in your account.
- We don’t conduct proprietary trading or market making.
- In general, we do not require a minimum dollar amount to open and maintain a brokerage account. However, some investment products may have investment minimums.

In providing brokerage services, neither your financial professional nor FSNW will provide investment advice in a fiduciary capacity. Rather, any investment advice FSNW provides in conjunction with brokerages services will be incidental to FSNW’ primary business as a broker-dealer, which is selling, buying and exchanging securities. It is your responsibility to decide whether or not to follow any recommendation by your financial professional. Neither FSNW nor your financial professional exercises discretion over the assets in your account. FSNW buys, sells and exchanges many kinds of securities, but your financial professional may transact only those securities he or she is licensed to transact.

#### **For additional information,**

Please see FSNW Commission Schedule. If you would like a copy of the most recent FSNW Commission Schedule and/or most recent Form CRS, please call 503-723-4404.

*Conversation Starters. Ask your financial professional—*

- **Given my financial situation, should I choose a brokerage service? 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?**

### **II. WHAT FEES WILL I PAY?**

- You will pay us a transaction-based fee, generally referred to as a commission, for each security you buy or sell. The more transactions you make, the more fees you pay us. As a result, we have an incentive for you to trade more frequently and in greater volume because we generally receive more fees when you do so. The amount of commission you pay will vary on the issuer, type and amount of securities bought or sold in a particular transaction, and is not based on the value of your account.
- You pay additional fees for custodial or administrative services, such as wire transfers, returned checks, retirement account closeouts, inactivity fees and express mail delivery. These fees are shown on your client statement.
- ETFs, Private Funds and similar products typically charge their own separate fees and other expenses. See the applicable prospectus or offering document for more information about these fees and expenses.

**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.**

#### **For additional information,**

Please request a copy of our Commission Schedule and/or the applicable offering document from your investment professional or call **503-723-4404** to obtain a copy.

*Conversation Starters. Ask your financial professional—*

**• 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?**

### **III. WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?**

*When we provide you with a recommendation, 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 services and recommendations, we provide you with. Here are some examples to help you understand what this means.*

- The more transactions made in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.
- We have an incentive for you to maintain a margin account because when you do, we receive a portion of the margin interest paid on margin balances in your brokerage account. Please see our Commission and Fee Schedule for more information.
- Distribution Fees and Credit Interest: When you open an account, our financial professionals may recommend you “sweep” funds that are not invested into cash products or money market funds. Certain money market funds pay us a distribution fee that increases when more of our clients’ funds are invested in the money market fund. As a result, we have an incentive to recommend only those money market funds that pay us distribution fees over those that do not, although our financial professionals do not share in those fees. In addition, when you select a cash sweep option instead of a money market fund, we are eligible to receive credit interest on that cash investment.

*Conversation Starters. Ask your financial professional—*

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

#### **For additional information,**

Please see the applicable offering document(s) and FSNW Commission Schedule. If you would like a copy of the most recent Form CRS and/or FSNW Commission Schedule, please call 503-723-4404.

### **IV. HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

Your financial professional receives a percentage of the fee revenue he or she generates for FSNW. Fee revenue includes commissions, loads, contingent deferred sale charges and 12b-1 fees when your financial professional provides brokerage services. The percentage of revenue paid to your financial professional increases if he or she hits certain revenue thresholds. Therefore, your financial professional has an incentive to encourage you to buy and sell securities more frequently or to participate in one or more 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 called "differential compensation." Your financial professional also has an incentive to encourage you to move your account from another firm to FSNW or from your retirement plan to FSNW in order to increase FSNW or her own compensation. As discussed above, a financial professional's recommendations will also benefit FSNW.

**V. DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?** Yes. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

*Conversation Starters. Ask your financial professional—*

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

#### **FOR ADDITIONAL INFORMATION**

You can request up to date information and a copy of the most recent relationship summary by contacting us at 503-723-4404.

*Conversation Starters. Ask your financial professional—*

**• 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?**