



September 2024

## L.M. Kohn and Company Client Relationship Summary

L.M. Kohn & Company is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and as an Investment Advisor. We are also registered with FINRA. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available 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.

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

Our firm offers brokerage and investment advisory services to retail investors including buying and selling securities. Not all services offered under the investment advisory platform are available or are offered on the brokerage platforms. For advisory accounts, we will discuss your investments, offer advice, and monitor your accounts on a regular basis. We will also contact you periodically to provide account updates and discuss your overall portfolio. For brokerage accounts, we will deliver account statements to you on a quarterly basis (minimum) in either paper or electronic format.

#### Brokerage Services

We do not offer or accept discretionary brokerage accounts. A list of services provided by our firm’s brokerage professionals is spelled out below, which means that you make the ultimate decision regarding the purchase or sale of investments.

**We will not provide monitoring services for brokerage accounts.** This includes all services, such as Financial Planning, Retirement Planning, Portfolio Management, Limited Investment Offerings, Estate Planning, and Investment Recommendations. This also includes times of high market volatility.

Your representative will offer basic financial planning and retirement planning to you at your request. Portfolio management will also be offered at your request, this will include basic reviews and portfolio recommendations. We do not offer alternative investments, direct participation programs nor non- publicly traded REITs, LPs, BDCs, etc. Your representative will be able to assist you on these types of products, however neither our broker dealer nor your registered representative will receive any commission or other remuneration for such an accommodation. Your representative will offer estate planning and personal investment strategies at your direction—we will not monitor your account(s).

#### Investment Advisory Services

We provide either discretionary or non-discretionary trading under as an Investment Advisor. If you invest on a discretionary basis, we will buy and sell securities in your accounts without requiring your pre-approval on an ongoing basis until you notify us orally (must be followed up in writing) or in writing to convert to a non-discretionary basis. All discretionary accounts must have written discretionary authority on file with the firm prior to any trading. We also offer the services listed below, some of which are non-discretionary - meaning that you make the ultimate decision regarding the purchase or sale of investments. Our firm **will** monitor your account as part of our standard service:

<i>Continuously monitoring</i>	<i>Monthly monitoring</i>	<i>Quarterly monitoring</i>	<i>Annual monitoring</i>
<ul style="list-style-type: none"> <li>Financial Planning</li> <li>Wrap fee planning</li> <li>Buying and selling Securities</li> </ul>	<ul style="list-style-type: none"> <li>Retirement planning</li> <li>Portfolio management</li> <li>Investment recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Personal investment strategies</li> </ul>	<ul style="list-style-type: none"> <li>Estate planning</li> </ul>

We do not offer alternative investments, direct participation programs, private placements, non-traded REITs or non-traded BDCs; we will on a case-by-case basis assist with these purchases at the direction of the client. Other services: We do not incorporate alternative investments nor direct participation programs in any investment strategies. Buying and selling of securities on a non-discretionary basis will be monitored continuously, however you must make the final decision on whether to buy or sell.



September 2024

*Account minimums:* While there are no minimum dollar amounts for initial account size, we retain the right to decide whether to work with a client (or to open an account) based on existing relationships, the potential for future business development, or other considerations deemed appropriate by the firm. We will continue to review client relationships on an ongoing basis. For additional information, please see [www.lmkohn.com](http://www.lmkohn.com) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) for our Form ADV, 2A brochure (Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1); our Regulation BI disclosure at [www.lmkohn.com](http://www.lmkohn.com).

### **Conversation starters to ask your representative or advisor:**

*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?**

### **Fees in Brokerage Accounts**

Our brokerage fees, if any, will be assessed at the time of transaction as a commission, markup, markdown, dealer concession, postage fee, or ticket charge on the transaction.

### **Potential Conflicts of Interest:**

- If our firm charges you transaction fees for every execution, then the firm and the registered representative will have a conflict in the decision or recommendation for any product or security. The firm and the registered representative will have an incentive to encourage you to trade more frequently, as we are in business generating commission revenue.
- Our representatives will have incentive to recommend products that have higher commissions or front-end sales charges, deferred back-end sales charges, or higher ongoing trail commissions (12b-1 fees) that cost more and therefore you will be charged more.
- Our representatives will have a conflict of interest in recommending a sale of a mutual fund share class prior to it converting to a lower expense share class in the same mutual fund family.
- Our representatives will have a conflict of interest in recommending multiple mutual funds from different mutual fund families; therefore, not taking full advantage of reduced sales charges through breakpoints.
- Our representatives will have a conflict in recommending 1035 exchanges on an annuity product once it has gone out of its surrender period.
- Our representatives will have a conflict of interest in recommending the liquidation or sale of a UIT (Unit Investment Trust) prior to maturity and simultaneously recommending the reinvestment of those dollars in another UIT or other investment not capturing the benefit of a sales breakpoint.
- Certain products such as mutual funds and variable annuities will pay trailing or ongoing commissions (12b-1 fees); as such, there is a conflict of interest in the recommendation of these types of products.

### **Fees in Advisory Accounts**

Our investment advisory fees are disclosed in our Form ADV Part 2A which is available on our website at [www.lmkohn.com](http://www.lmkohn.com) or at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). We may charge the following types of fees: a percentage of assets under management, hourly charges, fixed fees, or flat commission/execution fees.

### **Potential conflicts of interest:**

- If our firm charges you an asset-based fee, more assets in the account will cause you to pay more in fees and therefore we will have an incentive to encourage you to increase the amount of money invested in those accounts.
- The firm will receive rebates on money market fund assets and sharing of margin interest participation for client



September 2024

margin accounts. Additionally, the firm will receive remuneration through the RBC Credit Access Line program (there is no such revenue sharing for assets custodied at Charles Schwab).

- If our firm charges you fixed fees, our representatives will have incentive to offer products to you that cost more and causing you to be charged more.
- If you invest in a wrap fee program, asset-based fees associated with the wrap fee program will include most transaction costs and fees to a broker-dealer or bank that has custody of these assets and therefore those fees will be higher than a typical asset-based advisory fee.
- When our firm charges hourly fees, our firm will have an incentive to recommend specific courses of action through the firm's services that will lead to representatives and/or the firm receiving additional compensation.

### Description of other fees and costs

There are other fees and costs related to our investment adviser and brokerage services in addition to the principal fees and costs that you will pay directly or indirectly. Examples of our most common fees and costs are insurance related fees for contract riders and mutual fund sales charges and/or 12b-1 fees. Your account may also have custodian or maintenance fees which are charged by the custodian and not passed on to us. The firm will receive rebates on money market fund assets and sharing margin interest participation. Additionally, the firm will receive remuneration through the RBC Premier Line of Credit program.

### 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. For more detailed information about our investment advisory service fees and costs please review our Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) which can be found at [www.lmkohn.com](http://www.lmkohn.com) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### Conversation starters to 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?*

*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?*

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment advisor? 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 advisor, 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 will create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice that we provide you. Here are some examples to help you understand what this means.**

- We receive third-party payments for certain products and share classes offered; therefore, we have a financial incentive when recommending these products. These payments will impact the value of your investment over time.
- We receive revenue from other parties and have a financial incentive to offer products where the firm benefits. This arrangement will have an impact on the value of your investment over time.



September 2024

- If you invest in mutual funds or variable insurance products, we have an incentive to encourage you to invest in positions that will have higher sales charges and/or higher annual expenses, dependent on the amount purchased and time horizon.
- We execute riskless based principal transactions in fixed income products; therefore, you should know the commission, markup, or markdown relative to your specific transaction(s). When a fixed income product is executed on an agency basis, the commission is clearly marked on the confirmation. When the transaction is executed as a markup or markdown, the commission is included in the net price to the client.

### **Conversation starters to ask your financial professional:**

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

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

- Brokerage professionals make money on commissions, markups, markdowns, or sales charges to execute transactions. Investment advisory professionals make money on advisory fees that are charged to clients.
- Our brokerage professionals are compensated based on the volume of business they generate. We do not pay our brokerage professionals differently for different products; therefore, they can earn higher commissions by recommending higher commission products.
- Our financial professionals will earn more on advisory or managed accounts than on traditional brokerage accounts; therefore, this could lead them to recommend advisory relationships over brokerage relationships.
- Our supervisory professionals or our persons in charge of a branch, satellite, or outside office will receive overrides for office reimbursement expenses or for supervisory responsibilities over other professionals in the same location.
- Our advisory professionals are paid a percentage based on the level of fees their clients generate for the firm. The more revenue they generate could make them eligible for higher percentage payouts. The firm does not incentivize our financial professionals to offer one advisory platform over another based on remuneration.

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

Yes. Our firm has disciplinary history addressed in our Form ADV and/or Form BD. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals. Additionally, you should go to [www.finra.org](http://www.finra.org) and click on "BROKERCHECK" or go to [brokercheck.finra.org](http://brokercheck.finra.org) to look at the disclosure history of any of our financial professionals.

### **Conversation starters to ask your financial professionals**

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

### **Additional information**

**Additional information:** You can find additional information about our services and request a copy of the relationship summary by visiting [www.lmkohn.com](http://www.lmkohn.com) or by calling us at **(800) 478-0788**.

### **Conversation starters to ask your financial professionals**

*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?*