

Black Oak Securities, Inc.
CRS Customer Relationship Summary – June 18, 2020

Introduction: Black Oak Securities, Inc. (BOS) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer (BD) and is a member of the Financial Industry Regulatory Authority (FINRA). Brokerage and investment advisory (RIA) fees differ, and it is important for you to understand how they differ. It is also important to have a basic understanding of how services differ. In general, a BD makes recommendations to buy, sell or hold, usually for a transactional based commission; while an RIA typically manages and advises and receives fees accordingly. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisors, and investing.

What investment services and advice can you provide me? We offer limited broker/dealer services to retail investors, including buying and selling securities. BOS is an independent BD that has been conducting limited securities business since December 1992. BOS business consists exclusively of 1. the distribution of shares of registered open-end investment companies or unit investment trusts and 2. the sale of variable annuities. The firm only accepts checks made payable to the various mutual fund companies and annuity issuers. The firm executes all transactions the "application way" directly with the referenced mutual fund companies and issuers.

When a BOS registered representative (RR) makes a recommendation it will be done in full compliance with the disclosures delineated in the firm's Regulation Best Interest Clause (RBIC) that can be found as part of the "BOS Client Account Form". Account recommendations may include Traditional IRAs, Roth IRAs, UGMAs, UTMAs, Individual accounts, Joint accounts, Rollovers, and /or workplace retirement accounts.

BOS will voluntarily, and without any agreement with the customer, review the holdings in retail customer accounts for the purposes of determining whether to provide a recommendation to the customer. This voluntary review is not considered to be "account monitoring" and does not create an implied agreement with the customer to monitor the account. This voluntary review will be done through a service known as DST Vision. This service provides daily updates on all clients accounts in areas such as holdings, risk, expense level, sustainability, value, diversity, liquidity, ratings, share price, client data, tax information, statements, transactions, management teams, benchmarks and index comparability. The program also shows returns in frequencies of year to date, one-year, five-year, ten-year and duration.

BOS prohibits all RR from holding a discretionary authority over any account. This means that at all time and on all accounts the client makes the ultimate decision.

The firm itself has no limits on size or amount to maintain an account. However, mutual fund and annuity companies generally have a minimum to establish an account with an estimated range of \$250 to \$1,000 initial investment, as well as \$50 for subsequent investments. The exact limitations can be found in the respective prospectus for the recommendation or in the employers' summary plan description. Workplace plans generally do not have a minimum start up or a subsequent limit as they are determined as an elected percentage of pay.

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 licenses, education and other qualifications? What do these qualifications mean?**
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What fees will I pay? BOS is **not** a full-service brokerage nor an investment advisor. BOS works in a limited market in a limited capacity with mutual funds and annuities. As such the RR at BOS receives compensation in the form of commission that is set and paid via the mutual fund or annuity company. The RR is paid on the new dollar invested. Exchanges performed within a fund family are typically done at net asset value (without charge). Shares in the "A" category (which 98% plus of our sales are) allow the reinvestment of dividends and capital gains at net asset value.

Due to the BOS membership agreement with FINRA, the firm does not impose separate cost and fees. The costs and fees are set by the mutual fund and annuity issuer. The typical common costs are listed in the

prospectus and are made up of initial sales charge, annual service charge, management fee, and annual custodial fee. The links to all fees may be found at www.blackoaksecurities.com. The service charge is calculated on total assets and therefore could be determined to be a conflict of interest as assets are encouraged to grow.

You will pay fees and costs whether you make money 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.

Note: for additional information please read our Regulation Best Interest Clause

Conversation Starter, 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? How else will your firm make money and what conflicts of interest do you have? *When we provide you with a recommendation, 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 of interest. You should understand and ask us about these conflicts because they affect the recommendations, we provide you. Here are some examples to help you understand what this means.* BOS has one conflict of interest. As stated earlier, it is that we are paid a service fee on total assets and it is our intention to grow your assets and as a result our income rises.

We on the other hand, **do not**, have the conflicts that many full-service brokerage and investment advisers have i.e. proprietary products, third party payments, revenue sharing, nor principal trading.

Conversation Starter, Ask your financial professional....

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

Note: for additional information please read our Regulation Best Interest Clause

How do your professionals make money? A BOS registered representative is compensated as a percentage of the sales charge and service fee set by the mutual fund or annuity issuer. The percentage amount the RR is paid does not change in any fashion the sales charge set by the mutual fund or annuity issuer. The RR compensation as a percent of the service fee rises as the assets grow. This conflict due to growth is not inherently a bad thing. BOS offers **no**: non-cash compensation; or incentives due to volume, type, complexity or time involved.

Do your financial professionals have legal or disciplinary history? No, we do not. For a free and simple search tool to research us and our financial professionals visit **Investor.gov/CRS**

Conversation Starter, Ask your financial professional....

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

For additional information about our services, please feel free to visit our website at www.blackoaksecurities.com, and/or read our Regulation Best Interest Clause. If you would like additional information, a copy of this disclosure, or have other inquiries please call us at 217-498-7876.

Conversation Starter, 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?