

# Client Relationship Summary

(October 2021)

## INTRODUCTION

Broker Dealers and Investment Advisors offer different services and fees structures. It is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisors, and investing.

**Fortune Financial Services, Inc.** (FFSI) is a limited purpose broker dealer, registered with the Financial Industry Regulatory Authority (FINRA) which only allows our independent contractor Registered Representatives (RR) to sell mutual funds, variable annuities and life as well as indexed annuities. FFSI does not use a clearing firm or central platform. All business is transacted at and held directly by the issuing company. Before any sale is made it must be securely sent to our Compliance Department for review and approval.

Fortune Financial Services, Inc. is affiliated with registered investment advisor, Prosperity Wealth Management through common control. Please review Prosperity Wealth Management's [Form CRS](#).

Fortune Financial Services' Registered Representatives are all independent contractors and maintain and pay for their own office space that Fortune designates as a branch. Our firm is structured so that all RRs and all business is supervised from the home office by a team of licensed compliance professionals.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Your RR may recommend that you purchase investment company products to help you reach your financial goals. The brokerage services they can offer are limited to:

**Mutual Funds** that pool money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. Investors buy shares in mutual funds. Each share represents an investor's part ownership in the fund and the income it generates.

**Variable Annuities/Life** is a contract between you and an insurance company. It serves as an investment account that may grow on a tax-deferred basis and includes certain investment subaccounts and insurance features, such as the ability to turn your account into a stream of periodic payments.

**Indexed Annuities** is a contract between you and an insurance company. It generally promises to provide returns linked to the performance of a market index that consist of a hypothetical portfolio of securities representing a particular market or part of a market.

Your RR will gather information on you, your goals, your assets, and other pertinent information so that they can recommend an investment that works in your best interest. Please read all offering, disclosure, or other documents as they contain important information.

Neither Fortune Financial Services, Inc., nor our Registered Representatives provide monitoring services as part of your contract/account. As independent contractors, RRs may, on a periodic or irregular basis, review your account and may offer additional recommendations. Any review provided by your RR is not contractual and there is no separate fee for any monitoring.

FFSI does not allow your RR to have any discretionary authority over the investments that you purchase through Fortune.

All account minimums and other requirements to open an account are set by the issuing company for that product.

### ***Conversation Starters***

"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?"

## WHAT FEES WILL I PAY?

FFSI and your RR do not charge fees when selling investments. Any product that you purchase through FFSI will have fees, charges, costs and/or expenses, set by the issuing company. Mutual fund fees include but are not limited to sales charges (upfront, backend or ongoing), internal expenses, and marketing fees. Depending on the amount invested, you may qualify for a lower fee. Variable products have a base annual expense as well as additional charges for any contract enhancements you may choose to purchase. Indexed annuities may have no upfront charges or ongoing expense, but the insurance company recaptures its costs in the

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Securities offered through Fortune Financial Services, Inc.  
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difference between the return of the chosen index and the calculated amount credited to your account. Sometimes you will earn nothing on your indexed investment and, based on the options you chose, could lose principal.

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.

Each product has a price for shares purchased calculated by the company. There may be additional fees for expedited services, mailing, wiring, or other transaction fees. All these fees are described in the product's prospectus.

## **Conversation Starters**

"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 DOES 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 with your interests. You should understand and ask us about these conflicts because they can affect the recommendation we provide you. Here are some examples to help you understand what this means.

**Compensation:** FFSI is paid a commission from the insurance or investment company for each contract sold and/or when you make an additional investment. Some investment types and/or companies may pay larger commissions for certain products. Some products pay additional compensation for marketing and distribution. FFSI does not promote, encourage, or specify which of the approved products your RR recommends to you.

**Limited Products:** FFSI only offers Mutual Funds, Variable Annuities/Life and Index Annuities limiting the recommendations provided to you.

## **Conversation Starters**

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

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

Fortune Financial Services is paid a commission for new sales and transactions that add money to your investments. The rates that we are paid are set by the issuer, as disclosed in their offering material. Fortune then pays your RR an agreed upon percentage of those commissions.

Occasionally, issuing companies may pay for, or reimburse RRs for, product training, marketing costs or client events. All such non-cash compensation must be reviewed and approved by FFSI.

## **DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

**YES – Fortune Financial Services, Inc** does have a disclosure history. Some of Fortunes independent contractor RRs may also have disciplinary history. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) or <https://brokercheck.finra.org/> for a free and simple search tool to research FFSI and our Registered Representatives.

## **Conversation Starters**

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

**You can receive additional information, review the definition of terms used, or request a copy of the relationship summary by calling 724-846-2488 or go to our website [www.fortunefinancialservices.com](http://www.fortunefinancialservices.com)**

## **Conversation Starters**

"Who is my primary contact person? Who can I talk to if I have concerns about how my RR is treating me?"

### **Introduction**

Our firm, Prosperity Wealth Management, Inc. is an investment adviser registered with the Securities and Exchange Commission. We feel that it is important for you to understand how advisory and brokerage services and fees differ in order to determine which type of account is right for you. There are free and simple tools available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealers, and investing.

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

We are a registered investment adviser that offers investment advisory services to retail investors for an ongoing asset-based fee. Our advisory services available to retail investors include Asset Management and Financial Planning & Consulting. If you open an advisory account with our firm, we'll meet with you to understand your current financial situation, existing resources, goals, and risk tolerance. Based on what we learn, we'll recommend a portfolio of investments that is monitored at least quarterly, and if necessary, rebalanced to meet your changing needs, stated goals and objectives. We'll offer you advice on a regular basis and contact you at least annually to discuss your portfolio.

We manage accounts on a discretionary basis. After you sign an agreement with our firm, we're allowed to buy and sell investments in your account without asking you in advance. Any limitations will be described in the signed advisory agreement. We will have discretion until the advisory agreement is terminated by you or our firm. We do not restrict our advice to limited types of products or investments and our firm does not impose requirements for opening and maintaining accounts or otherwise engaging us.

### **What fees will I pay?**

You will be charged an ongoing quarterly fee based on the value of the investments in your account. Our maximum annual fee is 2.00%. Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. The more assets you have in your advisory account, 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 firm's fees will be automatically deducted from your advisory account, which will reduce the value of your advisory account. In rare cases, our firm will agree to send you invoices rather than automatically deduct our firm's fees from your advisory account.

Our maximum flat fee is \$10,000 and/or maximum hourly rate is \$250 for our Financial Planning & Consulting service. We may charge an upfront retainer when you sign an agreement with the remainder due when we provide a financial plan or consultation.

The broker-dealer that holds your assets charges you a transaction fee when we buy or sell certain investment products for you. The broker-dealer's transaction fees are in addition to our firm's fees for our Asset Management service. You may also pay charges imposed by the broker-dealer holding your accounts for certain investments and maintaining your account. Some investments, such as mutual funds, exchange traded funds, and variable annuities, charge additional fees that will reduce the value of your investments over time. In certain cases, we may utilize third party money managers who will 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.

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.

### **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser, 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 investment advice we provide you. Here are some examples to help you understand what this means:*

Our investment adviser representative are registered representatives of Fortune Financial Services, registered broker-dealer and Member FINRA/SIPC and licensed insurance agents. They may offer insurance products or securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales create an incentive to recommend products based on the compensation our management persons may earn rather than the best interests of the client.

TD Ameritrade makes certain research and brokerage services available at no additional cost to our firm. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense. As a result of receiving these services, we have an incentive to continue to recommend our clients' hold their account and execute trade with TD Ameritrade.

### **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. In addition, they are compensated via product sales commissions in their capacities as registered representatives, and insurance agents as described in the preceding section.

Elliot Kallen serves as Chief Compliance Officer and 62% owner of a related adviser, Prosperity Financial Group, Inc. ("PFG"). Charles Ballweg serves as an investment adviser representative and 38% owner of PFG. In such capacity, they may offer advisory services and receive normal and customary fees, which are fully disclosed in PFG's Form ADV, and is available on request. In addition to their advisory fees, they are also compensated a portion of overall firm profits commensurate to their ownership percentages and salary where applicable.

Gregory Bentley serves as Chief Executive Officer of Fortune Financial Services, Inc., ("FFS") where he is responsible for and manages the national broker dealer. Blake Daniels is the Chief Financial Officer of FFS and a 50% owner. This common control makes FFS an affiliated entity. In addition to their sales commissions, they are also compensated a portion of overall firm profits and salary where applicable. Their CRS can be found at [FFS Form CRS](#).

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

Yes, our financial professionals have legal and disciplinary history. Visit [Investor.gov/CRS](http://Investor.gov/CRS) 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 [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #174328. You may also contact our firm at (925) 314-8500 to request a copy of this relationship summary and other up-to-date information.

#### **Questions to Ask Us:**

- Given my financial situation, should I choose an investment advisory 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?
- How might your conflicts of interest affect me, and how will you address them?
- As a financial professional, do you have any disciplinary history? For what kind of conduct?
- Help me understand how fees and costs may 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?
- 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?

*Additional information about our advisory services, fees, and conflicts of interest are located in Items 4, 5, and 10/12, respectively, of our Firm Brochure, which is available online at <https://adviserinfo.sec.gov/firm/summary/174328>.*