

# Valor Financial Securities LLC Customer Relationship Summary

## Helping you make an informed decision Form CRS June 2020

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### Introduction

Valor Financial Securities LLC ("Valor") is a financial services company that provides trade executions and other brokerage services to help you achieve your financial goals. Valor is registered with the Securities and Exchange Commission ("SEC") as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA"). Services and fees differ between brokerage firms and investment advisory firms. It is important for you to understand the differences. This document provides answers to questions you may have about ways to work with us, the services and products we offer, and the fees we charge. Access Educational Tools: Free and simple tools are available for you to use at [Investor.gov/CRS](https://investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing. To learn more about Valor you may go to FINRA's Broker Check at: <https://brokercheck.finra.org/>. *This relationship summary provides information that helps you make an informed decision about whether to invest with us and will answer the following questions:*

- *What investment services and advice can you provide me?*
- *What fees will I pay?*
- *What are your legal obligations to me when providing recommendations as my broker-dealer? How else does the firm make money and what conflicts of interest do you have?*
- *How do your financial professionals make money?*
- *Do you or your financial professionals have legal or disciplinary history?*
- *Where can I find additional information?*

### Terms to understand

A **broker-dealer** (Valor) is a firm that acts as an intermediary between buyers and sellers of securities for which know they will usually receive a commission. An **investment adviser** may be a person or firm that provides investment advice or conducts securities analysis in exchange for a fee.

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

We offer brokerage services. Valor is not an investment advisory firm.

Ways to work with us: Our registered representative can help you in person and on the phone.

Services Provided: The primary service Valor offers retail investors is the execution of transactions for your account. We may also provide other services, such as recommendations to buy, sell, or hold securities in your account. Custody of assets is provided through Pershing LLC, our clearing broker/dealer, or through an annuity or mutual fund sponsor.

Monitoring: We do not offer or agree to provide monitoring services in our brokerage relationships.

Investment Authority: When we make a recommendation to buy, sell, or hold securities in your account, you make the ultimate decision of whether or not to follow the recommendation.

Limited Investment Offerings: We offer a broad spectrum of investment products, but we do not make available every investment product in the market. We do not seek to offer products that are necessarily the least expensive and not the most expensive. We offer mostly mutual funds. We may also offer annuities, stocks, exchange traded products and 529 plans, and other products.

Account Minimums and Other Requirements: There is no minimum initial account balance to establish a brokerage account with us. However, you must sign account-opening documents and fund the account or it will be closed.

Services we do not provide and activities we do not participate in. We do not:

- Sell securities to you from our own company-owned accounts.
- Conduct any investment banking business.
- Exercise discretion over commission-based brokerage accounts.
- Produce and/or sell proprietary products.
- Provide investment monitoring on brokerage accounts.
- Conduct sales contests or have production quotas.

The investment products we offer are typically subject to minimum deposits and may vary between the products. The minimum deposits are outlined in each product's respective prospectus, agreement, and contract summaries.

Securities offered through Valor Financial Securities LLC, Member FINRA/SIPC/MSRB. Investment advisory services offered through Wells Global Investment Advisers LLC, an SEC Registered Investment Adviser, and Wells Investments, Inc. These members of the Wells Family of Companies are separate firms that share common ownership. We do not guarantee returns and past performance is no guarantee of future performance. Investments and strategies offered carry investment risks, including the potential of loss of principal.

### Conversation corner

Questions you might wish to ask when considering our services:

- 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 registrations, education, and other qualifications? What do these qualifications mean?

## What fees will I pay?

The services and fees for each type of service differ and it is important for you, the retail investor, to understand these differences.

- In a brokerage relationship, you are charged for each trade you make, also known as transaction-based charges. These transaction-based charges include commissions, which differ based on the product purchased, size of the transaction, overall value of your account, and frequency of trading activity in your account. You will pay higher total transaction-based charges when there are more trades in your account. Therefore, this provides a conflict in that we have an incentive to encourage you to trade more often.
- You may be charged annual account fees and custodial fees that are based on the number and type of accounts you hold in your household.
- If the assets in a brokerage account are subject to an investment advisory agreement, you will be charged a ticket charge for transactions in lieu of commissions, and an upfront commission on the mutual fund purchase is waived.
- Depending on the level of trading in your account, paying an asset-based fee to an investment advisory firm for an advisory account could cost more or less than separately paying for each transaction in a brokerage-only account.
- Other Fees – Applicable to both brokerage and investment advisory services: You may also incur other fees and costs related to your investments and brokerage or investment advisory services. These include: mortality and expense fees associated with your annuity investments, fees for riders you select with your annuity investments, 12b1 distribution fees on mutual funds, annuities and 529 plans; mutual fund, annuity and 529 plan management fees; account maintenance fees, account termination fees, ticket charges, processing fees and other costs. You will be charged interest on the amount borrowed through margin loans.

You will pay fees and costs whether you make or lose money on your investments. Commissions, 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. You can find more detailed information about fees and costs related to our services as a broker-dealer in the Regulation Best Interest (BI) Disclosure for Valor.

## What are your legal obligations to me when providing recommendations as my broker-dealer? How else does the firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we shall consider the elements of care, skill and cost, among other things, to help us determine what investments are in your best interests. We place your interests ahead of ours. Subjectivity may cause perceptions to vary. 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 recommendations we provide you. Here is an example to help you understand what this means.

- Third-Party Payments: Some third-party product providers reimburse Valor to help us pay for client meetings and/or marketing efforts. The product providers are under no obligation to provide support. Payments are not tied to sales of products. This creates a conflict in that we have an incentive to recommend third-party product providers that reimburse us for some expenses over those that do not reimburse us or that provide smaller amounts of assistance.

You can find more detailed information about conflicts and fees and costs in a variety of ways, including (but not necessarily limited to) the following: Form CRS (Relationship Summary), Reg BI Disclosure Form, confirmations, monthly statements, account agreements, disclosures specific to types of accounts (*e.g.*, margin, option, IRAs, etc.), disclosures specific to certain securities or products (*e.g.*, risk, conflicts of interest, material limitations), agreements for services including costs, prospectuses, and oral disclosures by your Financial Professional.

## How do your financial professionals make money?

Registered representatives are paid a percentage of revenue generated in brokerage-only accounts. They may share in firm profits. Noncash compensation is provided to representatives in that they may attend educational meetings and educational recognition trips sponsored by external vendors, such as mutual fund companies, insurance carriers, or money managers. Representatives may also receive promotional items of nominal value, meals with representatives of the product provider, entertainment hosted by the product provider, and other noncash compensation from product providers. The receipt of noncash compensation and other items from product providers creates an incentive for financial advisors to recommend those providers' products over other products. Our financial professionals also have moral, ethical, regulatory and legal obligations that work to counterbalance conflicts. These obligations are considered as they address conflicts that arise. Valor has established policies and a Code of Conduct that creates controls to conform to our required regulatory requirements.

## Do you or your registered representatives have legal or disciplinary history?

No. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool that you can use to research us, our registered representatives and investment advisory representatives.

## How to find additional information:

Request a copy of Form CRS and Regulation Best Interest (BI) Disclosure and/or discuss the "Conversation corner" questions within Form CRS with our professionals by calling us at 863-294-3361.

## Conversation corner

Questions you might wish to ask when considering our services:

- 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?

## Conversation corner

Questions you might wish to ask when considering our services:

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

## Conversation corner

- Do you have any disciplinary history? If so, for what?
- Who is my primary contact person? Whom can I talk to if I have concerns?