



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

Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. The SEC offers free and simple tools to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides information tailored to educate retail investors about financial professionals. At [brokercheck.finra.org](http://brokercheck.finra.org) you can find disciplinary history as well as the number of firms that the registered representative has been employed with. Additionally, fund fee calculators are available at [www.finra.org](http://www.finra.org) under their fund analyzer web tool. FINRA also provides for investors FAQs on Variable Annuities, Equity Indexed Annuities, and other complex products as a free resource on their website.

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. Additionally, we will 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.

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

#### Brokerage Services

Our broker-dealer firm does 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. Our firm **will not** monitor your accounts for the following services:

- Financial planning
- Retirement planning
- Portfolio management
- Limited Investment Offerings
- Estate Planning
- Investment recommendations

Our brokerage professionals may offer, on a solely incidental basis, buying and selling of securities at the direction of the client—our firm conducts daily supervisory reviews of client transactions.

Our brokerage professionals may offer, on a solely incidental basis, basic financial planning, and retirement planning to brokerage clients upon their request. Portfolio management may be offer to brokerage clients on a solely incidental basis, basic reviews conducted upon client request and portfolio recommendations made upon client request. The firm does not offer alternative investments, direct participation programs nor non- publicly traded REITs, LPs, BDCs, etc. Our brokerage professionals may accommodate, on a solely incidental basis, a client request on these types of products, however our broker dealer nor our registered representative will receive any commission or other remuneration for such an accommodation. A brokerage professional may offer estate planning and personal investment strategies at the direction of the client—our firm will not monitor your account(s).

#### Investment Advisory Services

Our investment advisory firm provides discretionary or non-discretionary trading. If you invest on a discretionary basis, our firm 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. Our investment advisory

L.M. Kohn and Company is registered with the Securities and Exchange Commission as an Investment Adviser and Broker-Dealer; and is a member of FINRA, MSRB, and the Securities Investor Protection Corporation. The Home Office is located  
10151 Carver Road, Suite 100, Cincinnati, Ohio 45242



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firm also offers 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 sell 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>

Limited investment offerings— Our firm does not offer alternative investments, direct participation programs; private placements, non-traded REITs or non-traded BDCs; we may on a case-by-case basis facilitate as an accommodation at the direction of the client. Other services: The firm does 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 the client must make the final decision on whether to buy or sell.

**Account minimums:** While there are no minimum dollar amounts for initial account size, the firm retains 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. The firm 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.** *Ask your financial professional:* **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.

- If our firm charges you transaction fees for every execution, then the firm and the registered representative may have a conflict in the decision or recommendation for any product or security. The firm and the registered representative may have an incentive to encourage you to trade more frequently, as we are in business to generate commission revenue.
- Our representatives may 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 may 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 may 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 may have a conflict in recommending 1035 exchanges on an annuity product once it has gone out of



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its surrender period.

- Our representatives may 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 may pay trailing or ongoing commissions (12b-1 fees); as such, there could be a conflict of interest in the recommendation of these types of products.

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, along with mutual fund sales charges and/or 12b-1 fees. The firm may receive rebates on money market fund assets and sharing margin interest participation. Additionally, the firm may receive remuneration through the RBC Premier Line of Credit program.

### **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). Some fees may create a conflict of interest. A list of such conflicts is described below.

- If our firm charges you asset-based fees, more assets in the account will cause you to pay more in fees and therefore we may have an incentive to encourage you to increase the amount of money invested in those accounts.
- The firm may receive rebates on money market fund assets and sharing of margin interest participation for client margin accounts. Additionally, the firm may receive remuneration through the RBC Credit Access Line program (there is no such revenue sharing for assets custodied at TD Ameritrade).
- If our firm charges you fixed fees, our representatives may offer products to you that cost more and therefore you will 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 may be higher than a typical asset-based advisory fee.
- When our firm charges hourly fees, our firm may have an incentive to recommend specific courses of action through the firm's services that may lead to representatives and/or the firm receiving additional compensation.

**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. 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?**

When we provide you with a recommendation as your broker-dealer, we have an ethical duty to make recommendations that are in your best interest at the time of the recommendation. When we are acting as your investment adviser, we have a fiduciary obligation to act in your best interest and to not put our interest before yours. At the same time, the way we make money may create some conflicts with your interests. You should understand and ask us about these conflicts



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because they can affect the recommendations and investment advice that we provide you. Here are some examples to help you understand what this means.

- Our firm receives third-party payments for certain products and share classes offered; therefore, it has a financial incentive when recommending these products. These payments will impact the value of your investment over time.
- Our firm receives revenue from other parties and has a financial incentive to offer products where the firm benefits. This arrangement may impact the value of your investment over time.
- If you invest in mutual funds or variable insurance products, our firm has an incentive to encourage you to invest in positions that may have higher sales charges and/or higher annual expenses, dependent on the amount purchased and time horizon.
- Our firm executes 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.** *Ask your financial professional:*

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

**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**.

### **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 may 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 may receive overrides for office reimbursement expense 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.

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

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 may 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.

### **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?**