

**Nestlerode & Loy, Inc.**  
Form CRS Customer Relationship Summary – **Investment Advisory**  
**January 23, 2023**

**Introduction**

**Nestlerode & Loy, Inc.** is dually registered as an Investment Advisor and as a Broker Dealer with the Securities and Exchange Commission (SEC) and with the Financial Industry Regulatory Authority (FINRA). Brokerage and Investment Advisory services and fees differ and it is important for you to understand these differences. This brochure highlights the Investment Advisory information. The Broker-Dealer brochure is available for your review. 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?**

**We offer investment advisory services and act in a Fiduciary capacity to retail investors including:**

- We will discuss your investment goals and using the information you provide, design a strategy with regard to account types and rollover recommendations
- We regularly monitor your account; managing and allocating securities.
- We offer financial planning using sophisticated planning tools at no additional cost
- We will send you a quarterly performance report either by mail or email.
- We will have discretionary authority over your account which allows us to buy and sell investments in your account without asking you in advance.
- We do not offer any proprietary products and our investment selections are not materially limited
- Most Investment Advisory accounts are held at RBC CS
- Our opening account minimum is \$100,000 but exceptions may be made at the discretion of the advisor. To maintain an account, a minimum balance of \$25,000 is required.
- We coordinate with your tax preparer and attorney to assist with wealth transfers

*For additional information, please see Form ADV, Part 2A brochure Items 4 (Advisory Business), 8 (Methods of Analysis), 13 (Review of Accounts) and 16 (Investment Discretion), our Investment Management Agreement and our website at [www.nestlerode.com](http://www.nestlerode.com) for further disclosures.*

**Conversation Starters.** Ask your financial professional—

*Given my financial situation, should I choose an investment advisory service, brokerage service, or both? Why or why not? How will you choose investments for me?*

*What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

**What fees will I pay?**

**Principal fees and costs:**

- We will charge your account(s) every three months an on-going asset-based fee, based on the value of the cash and investments in your account(s). This fee reduces the value of your account and will be automatically deducted from your account.
- The more assets there are in your account, including cash, the more you will pay us. Your fee is based on your investment management contract.
- We do not charge additional markups and do not trade from our own account, known as principal trading.
- We do not participate in any soft dollar arrangements, wrap fee programs or revenue sharing programs. Any 12b-1 mutual fund payments made to an investment advisory program are rebated directly into your account.

**Other fees and costs:**

- You will pay a transaction fee when we buy and sell a non-mutual fund investment for you.
- RBC as custodian charges fees that are outlined in account documents and disclosures.

- Mutual funds and exchange traded funds may also charge internal management fees which are disclosed in the funds' prospectus.
- RBC pays us 25 basis points on any outstanding balance on an existing Credit Access Line.

*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 additional information**, please see Form ADV, Part 2A brochure Items 5 (Fees and Compensation) and 6 (Performance-Based Fees), our Disclosure page on our website at [www.nestlerode.com](http://www.nestlerode.com), RBC account documents or [www.investor-connect.com](http://www.investor-connect.com)

**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 acting as my investment advisor? 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.

- Because our firm receives asset-based fees, we have an incentive to increase the assets in your account in order to increase our fees. This includes rollover recommendations.
- Judy Loy owns the firm. This is a potential conflict as she earns money for the company by selling investments. She does not sell any proprietary products. **Daniel Nestlerode has retired.**
- Judy Loy holds a PA Insurance license. This presents a potential conflict as she would receive compensation for any insurance product sold.

**For additional information**, please see Form ADV, Part 2A brochure Items 10 (Other Financial Industry Activities and Affiliations) and 11 (Code of Ethics), our Disclosure page on our website at [www.nestlerode.com](http://www.nestlerode.com) and our Code of Ethics document

**Conversation Starter.** 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?**

- Our financial professionals make money from the asset-based fee deducted from your account. The amount paid to our firm and your financial professional generally does not vary based on the type of investments we select on your behalf.
- Because we receive asset-based fees, your adviser has a conflict of interest around making recommendations that would reduce the amount of billable assets being managed.
- Judy Loy does provide hourly consultation services to non-managed, individual clients.

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

**No** – Neither our firm nor our financial professionals have any legal or disciplinary events. Visit [www.Investor.gov/CRS](http://www.Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional—

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

### **Additional Information**

*For additional, up-to-date information or a copy of this disclosure, please call 814-238-6249 or visit our website at [www.nestlerode.com](http://www.nestlerode.com)*

**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?*

**Nestlerode & Loy, Inc.**  
Form CRS Customer Relationship Summary – **Broker-Dealer**  
**January 23, 2023**

## **Introduction**

**Nestlerode & Loy, Inc.** is dually registered as a Broker-Dealer and Investment Advisor with the Securities and Exchange Commission (SEC) and with the Financial Industry Regulatory Authority (FINRA). Brokerage and Investment Advisory services and fees differ and it is important for you to understand these differences. This brochure highlights the Broker-Dealer information. The Investment Advisor brochure is available for your review. 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?**

### **We offer brokerage services to retail investors including:**

- Buying and selling securities, mutual funds, insurance products.
- Retirement services, educational planning and building wealth.
- Traditional Brokerage provides recommendations for individual transactions and allows self-directed trades but does *not* include ongoing investment monitoring.
- We do not offer discretionary authority on Traditional Brokerage accounts so all trades must be approved by you before entry. You make the ultimate decision on buys and sells for your account.
- We do not offer any proprietary products and our investment selections are not materially limited
- Brokerage accounts may be held at RBC CS or directly with the mutual fund company.
- There are no account minimums however some funds do have a minimum investment.

*For additional information, please see our website at [www.nestlerode.com](http://www.nestlerode.com) for further disclosures or ask your Broker for a copy.*

**Conversation Starters.** Ask your financial professional—

*Given my financial situation, should I choose a brokerage service, investment advisory service or both? 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?**

### **Principal fees and costs:**

- You will pay a transaction fee (commission) when we buy and sell an investment for you. This is typically about 2% of the transaction and will not exceed 5.75% (usually for front-load mutual funds) You will be charged more when there are more trades in your account and, therefore, we have an incentive to encourage you to trade often.
- RBC charges \$2 **and NLI charges a \$3 postage fee** on non-mutual fund transactions.
- RBC, as custodian, charges fees that are outlined in account documents and disclosures
- Mutual funds and exchange traded funds also charge internal management fees which are disclosed in the funds' prospectus, mutual funds may charge annual **IRA** fees of \$10-\$25.
- RBC pays us 25 basis points on any outstanding balance on an existing Credit Access Line.

*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 additional information, please see our Disclosure page on our website at*

*[www.nestlerode.com](http://www.nestlerode.com), mutual fund prospectus, FINRA's website [https://tools.finra.org/fund\\_analyzer/](https://tools.finra.org/fund_analyzer/)*

**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 does your firm make money and what conflicts of interest do you have?**

When we provide you with a recommendation for a transaction, 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 recommendations we provide you. Here are some examples to help you understand what this means.

- Front Load mutual funds will charge a fee up to 5.75% of the invested assets. This may be a conflict as there may be lower cost shares available. We use our recommended mutual fund list with higher returns/lower fees. We do not use no load funds in a brokerage account.
- Third-party payments -when purchasing a CD, a new issue may pay a higher interest rate, but the bank may also pay a premium to us to sell it. This is a potential conflict because we may be paid more selling you a newly issued CD.
- Revenue sharing – both RBC and our firm share a portion of the interest revenue earned from cash holdings. Although this does not affect the amount of interest you earn, we will earn money on cash held in your account.
- Judy Loy owns the investment firm. This is a potential conflict as she earns money for the company by selling investments. She does not sell any proprietary products nor does she sell you investments from a company account, called principal trading. *Daniel Nestlerode has retired.*

*For additional information please see our Disclosure page on our website at [www.nestlerode.com](http://www.nestlerode.com), RBC's investor website at [www.investor-connect.com/](http://www.investor-connect.com/), mutual fund prospectus and FINRA's website [tools.finra.org/fund\\_analyzer/](http://tools.finra.org/fund_analyzer/)*

**Conversation Starter.** 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?**

Any recommendation for you is based on information we have received about you including your risk tolerance, investment objectives and time horizon.

**Nestlerode & Loy** does not sponsor or participate in any type of sales contest or receive cash or non-cash compensation from any outside sources such as mutual fund companies or insurance companies, except as those described in the prospectus.

**Broker Dealers** receive compensation from commissions from transactions of securities, mutual funds and insurance products. This commission will be different for each product and the length of time held in your account. This is a potential conflict as we have an incentive to sell you the most expensive product or to make frequent trades in your account. If any additional financial planning is performed your expense is calculated and based on the time and complexity required.

**Mutual funds:** We are paid an up-front sales load at the time of purchase. We will receive additional compensation from the fund company when you hold their funds longer than one year through a 12b-1 payment. There is no charge to you when you sell a mutual fund.

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

No—our financial professionals, YES—our firm has had a disclosable event.

Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional—

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

**Additional Information**

*For additional, up-to-date information or a copy of this disclosure, please call 814-238-6249 or visit our website at [www.nestlerode.com](http://www.nestlerode.com).*

**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?*