



Member FINRA and SIPC  
Registered with SEC and MSRB

## BROKER-DEALER & REGISTERED INVESTMENT ADVISER CLIENT RELATIONSHIP SUMMARY EFFECTIVE AS OF MARCH 29, 2024

Northland Securities, Inc. "Northland" is a Broker-Dealer (BD), Member FINRA/SIPC, registered with SEC and MSRB, and a duly Registered Investment Adviser (RIA) doing business as Northland Asset Management. Northland Securities, Inc., is a subsidiary of Northland Capital Holdings, Inc. First National of Nebraska, Inc "FNNI", is the parent company of Northland Capital Holdings, Inc. and First National Bank of Omaha.

This document serves as our communication of our best interest standards and to provide an overview of the products and services we provide under such arrangement. Free and simple tools and resources 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 Advisers, and investing.

### RELATIONSHIPS AND SERVICES

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

Northland offers a range of services including broker dealer and investment advisory services to retail investors. However, not all of our Financial Representatives and Investment Advisory Representatives offer all of the products and services offered by Northland. We recommend discussing with your representative to understand the specific investment products and services they can provide.

#### **BROKER-DEALER SERVICES**

- We offer a wide selection of investments, including our own proprietary bonds and new issue equities that are only available at our firm.
- When you have a brokerage account with us, you will pay a transaction-based fee (commission or sales credit) for every investment product you buy or sell. We encourage you to meet regularly with Financial Representative to review your individual situation, financial goals, risk tolerance, and liquidity needs. While we remain available to assist, you are ultimately responsible for reviewing and monitoring your brokerage account to determine whether your investment objective, strategy and asset allocation continue to be right for you, and making the decision about whether to buy, sell or continue to hold an investment.
- You may select investments on your own or we may recommend investments for your account, however ultimately the investment decision remains yours.
- Northland does not require you to maintain a minimum account size.
- Northland will send paper or electronic statements, delivered on a monthly or quarterly basis depending on the trading activity in your account.

#### **INVESTMENT ADVISORY SERVICES**

- We will offer you advice, discuss your investment goals, design a strategy with you to achieve these goals through separately managed accounts, third party models and strategies, or our Northland model strategies.
- Northland will periodically monitor your account. We will contact you by phone or email at least annually to discuss your investments and portfolio.
- When you have an advisory account, you will pay an on-going asset-based fee quarterly for our services, based on the value of your advisory account.
- You can choose a discretionary account, (your financial advisor makes investment decisions without asking you in advance) or a non-discretionary account (you make the investment decisions).
- Our investment advice covers a limited selection of investments, and other firms may provide advice on a wider range of choices, some of which may have lower costs.
- Account minimums may be required.
- Northland will send paper or electronic statements, delivered on a monthly or quarterly basis depending on the trading activity in your account. Quarterly performance reports will be available upon request.

#### **Conversation Starters. Ask your financial representative:**

*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 qualifications? What do the qualifications mean?*

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## FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

### What fees will I pay?

Fees and costs play an important role in determining the value of your investment account over time. Understanding the fees and costs associated with your investment account is crucial. If you have any questions about the fees and costs that you will be paying, don't hesitate to ask your Financial Representative.

#### BROKER-DEALER SERVICES

- With a transaction-based account, fees charged are based on the size and type of transactions, Financial Representative, the product sponsor or family, length of investment, and processing method. For example, a commission is usually charged for stocks or exchange-traded funds, while mark-ups, mark-downs, or sales credits are included in the purchase or sale price for other investments such as bonds. While mutual funds may have an up-front sales charge or load that reduces the value of your investment at the point of purchase.
- The more transactions in your account, the more fees you pay.
- There may also be additional fees associated with certain investments, such as mutual funds and annuities. Mutual funds charge internal management fees and expenses, servicing fees, or surrender charges. When you purchase an annuity product from a Financial Representative, their compensation is received indirectly. These commissions are incorporated into the product costs and paid to Northland by the product company. In the case of variable products that involve sub accounts which invest in underlying funds, these funds have their own ongoing fees and expenses. As the purchaser of the insurance product, you will be responsible for bearing these fees and expenses. It is important to note that fees associated with annuities and mutual funds can impact the value of your investment over time, as fees reduce the investment's overall value.
- Our fees vary and some are negotiable. The amount you pay will depend on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us.
- We charge you additional fees, such as custodian fees, account maintenance fees, and account inactivity fees.
- Northland charges a minimum \$100.00 commission or sales credit per transaction, provided that this amount does not exceed the value of the transaction itself.
- Although a transaction-based account may seem less expensive than an asset-based account, this is only the case if you are pursuing a buy-and-hold strategy and not frequently trading. If you engage in frequent trading, the costs of a transaction-based account may add up quickly, potentially making an asset-based account a more cost-effective choice.

#### INVESTMENT ADVISORY SERVICES

- With an asset-based account, we charge a fee based on a percentage of your account's value. This fee is determined by the fee schedule outlined in your advisory agreement with us and is calculated as a percentage of your assets. The majority of these fees are fixed and not influenced by the type of investments made on your behalf. The fees charged will be deducted quarterly from your account, which will reduce its overall value.
- The amount you pay will depend on the platform you select, the services you receive, and the amount of assets in your account. The fees you pay includes ongoing advice, account monitoring, and investment decision making services provided by your Investment Advisor Representative (IAR).
- Northland is charged fees by our custodian, Pershing LLC, for our Model & Third-Party Manager Programs, which we then pass on to you. However, your account(s) will be eligible for breakpoints for these fees based on the total assets in the program. Please refer to Northland's ADV brochure which outlines these fees.
- The asset-based fee does not include your custodial fees, account maintenance fees, and other transactional fees, if applicable.
- Advisory accounts in our wrap fee program, the asset-based fee will include additional fees such as, transaction costs and custody service fees. As a result, wrap fees are typically higher than non-wrap advisory fees.
- Investments such as mutual funds charge internal management fees and internal expenses. The fees will reduce the value of your investment over time.
- While an asset-based fee may cost more than a transaction-based fee, it may be preferred by those who want continuing advice, ongoing account monitoring, or investment decision-making service provided by a professional.

**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.**

Please review the [Northland Client Fee Schedule](#), located with the important disclosure and regulatory information on the "Policies and Disclosures" page of the Northland Securities website at: <https://www.northlandsecurities.com/policies-disclosures/>.

#### **Conversation Starter. Ask your financial representative:**

*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?*

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**What are your legal obligations to me when providing recommendations as my Broker-Dealer or when acting as my Investment Advisor? 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 or 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

**BROKER-DEALER SERVICES**

- When acting as a Broker-Dealer, Northland and your Financial Representative receive compensation depending on the security type you buy or sell. Commissions are generally higher on investments such as mutual funds, variable annuities, and fixed index annuities. These types of investments are often complex and offered by companies that pay our firm to sell their products. Commissions are generally lower on individual stocks and bonds. Your Financial Representative's compensation is based on a percentage of the commissions paid by their clients and that percentage will increase as more commissions are generated. Therefore, we have an incentive to encourage you to engage in transactions.
- Our Financial Representatives take part in product-sponsored training programs and the associated companies cover the expenses incurred by our representatives to attend. This is referred to as non-cash compensation. The compensation and benefits that we receive serve as an incentive to favor investment products and their sponsors that provide the highest level of compensation or benefits.
- As an introducing Broker-Dealer, we utilize a single clearing/custodial firm-Pershing LLC. We have revenue-sharing arrangements with Pershing, which means we may not offer you the lowest custodial clearing costs that could be available to you at another firm. We also have revenue sharing arrangements with FNBO relating to certain cash management products.
- Northland underwrites both fixed income securities and equity securities; these are called proprietary products. Northland and our Financial Representatives are incentivized to recommend these products. These products may have higher commissions paid to the Financial Representative, as well as generate additional revenues for Northland. Furthermore, compensation to Northland and the Financial Representatives are often contingent on the closing and the success of the underwritten securities offerings.
- Northland acts as principal in certain transactions, meaning it buys investments from you or sells investments to you from its own firm inventory accounts. We can earn additional fees on these trades, so we have an incentive to recommend transactions in which Northland acts as principal.
- Northland offers referral fees to our employees for introducing new corporate clients to our banking groups. This fee is paid if the deal is completed by Northland or if Northland participates in the deal.
- Northland may refer clients to FNBO for safekeeping services relating to transactions in certain financial products.

**INVESTMENT ADVISORY SERVICES**

- When acting as an Investment Advisory firm, Northland has an incentive to increase the assets in your account in order to increase our fees. The more assets you have in the advisory account, including cash, the more you will pay us. You pay our fee quarterly even if you do not buy or sell securities.
- Northland utilizes a single clearing/custodial firm: Pershing LLC. We have revenue-sharing arrangements with Pershing, which means we may not offer you the lowest custodial clearing costs that could be available to you at another firm.
- We have solicitor arrangements with outside parties, and Northland and your IAR share in the management fee that you pay.
- There is a limited number of products available within the firm's Investment Advisory platforms, as we are unable to sell you our new issue proprietary products, illiquid or limited liquidity products, or more speculative type offerings (e.g. microcap stocks). Please ask your Investment Adviser Representative what type of products are available to you.
- Our Investment Advisor Representatives take part in product-sponsored training programs and the associated companies cover the expenses incurred by our representatives to attend. This is referred to as non-cash compensation. The compensation and benefits that we receive serve as an incentive to favor investment products and their sponsors that provide the highest level of compensation or benefits.
- Northland shares a slightly higher percentage of fees collected on investment advisory accounts with our Investment Advisor Representatives than the fees collected on our Broker Dealer transactional accounts. This does not result in a higher fee passed on the client, however an IAR may be inclined to offer you investment advisory services over brokerage.
- Please refer to Northland Asset Management's ADV for complete disclosure information regarding services, products, and conflicts of interest. This document may be found at: <https://adviserinfo.sec.gov/firm/summary/40258>.

***Conversation Starter. Ask your financial representative:***

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

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## How do your Financial Representatives and Investment Advisor Representatives make money?

Financial Representatives and Advisors are all employees of Northland and receive compensation based on a percentage of their over-all production. This production primarily consists of transaction-based commissions and advisory fees paid by Northland clients. The higher the production amount, the greater the percentage paid to the Financial Representative and Investment Advisor Representatives. As a result, they may be incentivized to recommend securities with higher commissions, sales charges, markups/markdowns, sales credits and trail fees, as well as to suggest more frequent trades for brokerage accounts, charge higher fees for advisory accounts, and encourage larger investments in advisory accounts. Additionally, they may encourage clients to transfer accounts to Northland or add more funds to existing accounts. Northland Financial Representatives and Investment Advisor Representatives generally receive a recruitment bonus or special compensation in the form of an accelerated payout or a forgivable note from us when they join us from another firm. Primarily that compensation will be based on the historical production at their previous firm. This compensation provides incentive for representatives and advisors to recommend clients leave their prior firm to join Northland.

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

Yes. Northland and certain of its Financial Representatives and Investment Advisory Representatives have a legal and / or disciplinary history; view details at [BrokerCheck.Finra.org](https://www.brokercheck.finra.org). Visit [Investor.gov](https://www.investor.gov) (<https://www.investor.gov/>) for simple search tools to research our firm and our Financial Representatives.

### **Conversation Starters. Ask your financial representative:**

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

### **ADDITIONAL INFORMATION**

Also please review the [Northland Regulation Best Interest Disclosure Document](https://www.northlandsecurities.com/policies-disclosures/#regbi-disclosure-doc), which can be found at: <https://www.northlandsecurities.com/policies-disclosures/#regbi-disclosure-doc>.

Investor resources and tools are available at the SEC's Office of Investor Education and Advocacy website [Investor.gov](https://www.investor.gov), which provides educational materials about Broker-Dealers, Investment Advisers, and investing.

### **QUESTIONS YOU MAY HAVE**

We encourage our clients to ask questions, to ensure you thoroughly understand the products and services we are providing to you, and the cost, fees, and commitment involved in the course of conducting business.

- *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?*
- *How much would I pay per year for a typical brokerage account? What would make those fees more or less? What services will I receive for those fees?*
- *How will you choose investments to recommend for my account?*
- *How often will you monitor my account's performance and offer investment advice?*
- *What is your relevant experience, including your licenses, education, and other qualifications? Please explain what the abbreviations in your licenses are and what they mean.*

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## Northland Securities, Inc.

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*Northland Securities, Inc. conducts its Registered Investment Advisory business as Northland Asset Management.*