

Client Relationship Summary – Form CRS

Effective June 30, 2020

JOSEPH GUNNAR & CO., LLC (“we”, “us” or “JGUN”) is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and with New York State as an investment adviser. JGUN is a member of FINRA and SIPC.

This disclosure is provided to comply with the SEC’s Form CRS and Regulation Best Interest disclosure requirements. It includes information about our services, fees and costs, and conflicts of interest that we are required to provide to you when we recommend that you open and fund either a brokerage or advisory account, or when we recommend that you roll over or transfer assets to a brokerage or advisory account with us.

This disclosure summarizes the differences between our brokerage and investment advisory services and their fees. It is important for the retail investor to understand these differences (and our conflicts). Free and simple tools are available for you to research firms and financial professionals at the SEC’s investor education website, **Investor.gov/CRS**, which provides educational materials about broker-dealers, investment advisers, and investing. You can find additional information about us and our financial representatives on the FINRA website located at: **brokercheck.finra.org** and on our website at: **josephgunnar.com**.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Depending on your needs and your investment objectives, Joseph Gunnar & Co., LLC may assist you with brokerage services, investment advisory services, or both.

Our Investment Offerings

In both our brokerage services and investment advisory services, we offer and recommend a wide range of investments including, but not limited to: mutual funds, stocks, bonds, exchange-traded funds (ETFs), options, fixed income securities, certificates of deposit (CDs), unit investment trusts (UITs), structured notes, variable annuities, and variable life insurance, including investments and other products that we and our affiliates issue, sponsor, provide or manage (“proprietary products”), as well as investments from unaffiliated third-parties. We do not limit our investment offerings or recommendations to proprietary products, specific asset classes, or to those with third-party compensation arrangements, though we expect to receive compensation from third-parties in connection with some of the investments we offer, including, in particular, mutual funds and syndicate offerings.

Brokerage Services

Our brokerage services include buying and selling securities (e.g., mutual funds, stocks, and bonds) at your direction. From time to time, or when you request, we also provide you with investment recommendations, research, financial tools, and investor education. Unless we are providing you with investment advice for a fee under an investment advisory agreement, for investment recommendations we make to you, including recommendations to open or transfer assets to a brokerage account, we will be acting in our capacity as a broker-dealer. When making such a recommendation to you, we do not have a fiduciary obligation to you but we must act in your best interests at the time we make the recommendation without placing our financial or other interests ahead of yours.

• Limits on Monitoring and Investment Discretion

We do not exercise discretionary investment authority in your brokerage account (i.e., make decisions to buy or sell your investments without your direction) or monitor your brokerage account investments for you. This means that you are responsible for reviewing your account and investments to make sure your investment mix is appropriate for you and for deciding whether to follow our investment recommendations.

• No Account Minimums

You do not need to have a minimum amount to invest to open a brokerage account with us, but some of the investments you may purchase through us have minimum investment requirements. For more information regarding minimum investment requirements, please refer to the prospectus or offering documents for your investment.

Investment Advisory Services

Our investment advisory services include managing and allocating client assets among investments available on our advisory platforms, managed portfolios from third-party managers, and financial planning services. When we provide you with investment advice for a fee under an investment advisory agreement, including advising you to open or transfer assets to an advisory account, we will be acting in our capacity as an investment adviser. As an investment adviser, we

have certain fiduciary obligations to you.

- **Investment Discretion**

Depending on the program and services you select, we will provide you with investment recommendations and you will make the ultimate decision regarding your investments (“non-discretionary advice”), or we will make investment decisions for you without your input (“discretionary advice”). You may also hire a third-party manager to provide discretionary advice to you through our programs, or we can choose one for you. The terms and limits of our discretionary authority are described in your advisory agreement with us.

- **Monitoring**

We periodically monitor your advisory account for you as part of our advisory services in accordance with the terms of your advisory agreement with us. Our financial planning services are limited to preparation of a financial plan based on the information that you provide, and do not include ongoing monitoring. The frequency and limitations of our account monitoring depend on the advisory program that you select.

- **Account Minimums**

You must meet certain account minimums to open an advisory account. More information about our investment advisory services and current account minimums for advisory programs are described in our “Advisory Disclosure Documents” (Form ADV, Part 2A brochures), which are available at josephgunnar.com.

Additional Information

Please see our *Advisory Disclosure Documents* and our *Regulation Best Interest Brokerage Disclosures* available on our website at josephgunnar.com for more information on our services.

Conversation Starters: Questions you may want to 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?

Brokerage Services

For our brokerage services, the primary fees you pay are “transaction-based” fees. These fees are typically called “commissions,” “sales charges,” “loads,” “selling concessions” or “trails”. These fees vary depending on the investment product you select, the capacity in which we act, and the size of your transaction, and can be charged up-front when you purchase or sell the investment, or on an ongoing basis for as long as you hold the investment (“trails”). A retail investor would be charged more where there are more trades in his/her account, and that the firm may therefore have an incentive to encourage a retail investor to trade more often. In addition, we, and your financial professional, have an incentive to recommend that you open, or transfer assets to, a brokerage account instead of an advisory account when you trade so frequently or in such volume that we would receive more revenue than if you invested through an advisory account.

- **Description of Other Fees and Costs**

In addition to the foregoing fees, our clearing and custody partner, RBC Capital Markets, LLC (“RBC CS”) may assess certain fees associated with your brokerage account, such as account termination fees, and account transfer or liquidation fees, depending on the advisory program. For a schedule of fees charged by RBC CS and JGUN, you may visit Investor Connect at investor-connect.com where a list of fees is included in the most recent electronic statement insert section for the periods ending March, June, September or December. The fees and costs you pay for specific securities transactions are disclosed to you on the Confirmation Statement you receive after each of your transactions is executed. The total costs you incur (and compensation we earn) in connection with your brokerage accounts will primarily depend on your investment mix and how frequently you trade.

Investment Advisory Services

For our investment advisory services, you pay a fee (the “Program Fee”) for the program you select. The Program Fee is a “wrap fee”, meaning that certain trade execution, custody, and other brokerage services are wrapped into that fee. Program Fees are “asset-based”, meaning that they are calculated as a percentage of the assets invested in your advisory account according to the fee schedule in your Advisory Agreement with us. This means that the more assets you maintain

in your account, the more you will pay in fees, and therefore we have an incentive to encourage you to increase your advisory account assets and to invest your assets through programs that pay us a higher percentage Program Fee. In addition, we generally earn more compensation when you invest with us through an advisory account instead of a brokerage account if you trade infrequently or you purchase investments that would pay us lower commissions and other compensation if purchased through a brokerage account. This creates an incentive for us, and your financial advisor, to recommend that you open, or transfer assets to, an advisory account instead of a brokerage account.

Because the Program Fee includes most transaction and custody costs, it will be higher than an asset-based advisory fee that does not include transaction costs and fees. The Program Fee presents a conflict because it creates an incentive for us to not trade in your account since transaction costs are included in the Program fee. In addition to the Program Fee, depending on the program you select, we may charge a fee for our services as an overlay manager. In addition, if a third-party manager elects to trade away from us you will pay additional transaction fees for those trades.

- **Description of Other Fees and Costs**

In addition to the fees described above, our clearing and custody partner, RBC CS may assess certain fees associated with your advisory account, such as account termination fees, and account transfer or liquidation fees, depending on the advisory program. For a schedule of fees charged by RBC CS and JGUN, visit Investor Connect at **investor-connect.com** where a list of fees is included in the most recent electronic statement insert section for the periods ending March, June, September or December. The fees and costs you pay for investment advisory services are disclosed to you on the account statements you receive each quarter. The total costs you incur (and compensation we earn) in connection with your advisory accounts will primarily depend on the assets in your advisory account and the Program Fee rate.

Additional Information

With respect to both broker-dealer and advisory services, 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. Certain investments, such as mutual funds, ETFs, and UITs, bear ongoing costs that you pay indirectly because they are factored into the cost of the investment and are in addition to our brokerage and advisory fees. In addition, these types of investments may charge surrender or early termination fees if you sell your investments early. For more information regarding these expenses, please refer to the prospectus or offering documents for your particular investment.

Conversation Starters: Questions you may want to 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 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 to you. Here are some examples of to help you understand what this means.

Proprietary Products

JGUN and its affiliates may earn higher fees, compensation, and other benefits when you invest in or utilize a product that we (or one of our affiliates) advise, make available, manage, sponsor, or underwrite such as a mutual fund, structured product or private fund. Additionally, persons associated with the firm may have personal investments in certain of such products. As such, we have an incentive to recommend (or to invest your assets in) these products over third-party products.

Third Party Payments

JGUN receives payments from third parties (or their affiliates) when we sell certain products. As such, JGUN has an incentive to recommend (or to invest your assets in) products of third parties that pay us over products of third parties that do not pay us or pay us less.

Revenue Sharing

Certain managers and sponsors (or their affiliates) or affiliates of the Firm share the revenue they earn with JGUN when you invest in certain of their investment products (primarily mutual funds and private pooled investment vehicles). As such, JGUN has an incentive to recommend (or to invest your assets in) products of sponsors and fund managers that share their revenue with us, over other products of sponsors or fund managers that do not or who share less.

Conversation Starters: Questions you may want to ask your financial professional

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

Additional Information

Please see our *Advisory Disclosure Documents* and our *Regulation Best Interest Brokerage Disclosures* available on our website at josephgunnar.com for more detailed information about our conflicts of interest.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

JGUN financial professionals are compensated based upon a percentage of advisory fees, commissions, and similar compensation paid to JGUN by the clients of the financial professional. This percentage varies by product and service. It will also vary based on the financial professional's experience and production level. As the amount of commissions and fees paid by a client increase or decrease, the compensation paid by JGUN to the client's financial professional increases or decreases. JGUN offers recruiting packages to certain financial professionals joining from other firms which may give your financial professional an incentive to enter employment with JGUN regardless of the comparative benefits clients they service receive at other financial firms and to recommend opening an account with JGUN. JGUN may increase/reduce the rate of compensation it pays to financial professionals when the commissions, fees and similar compensation paid by clients are above/below certain levels. This created an incentive for financial professionals to charge commissions and fees at or above those levels and a disincentive to reduce commissions and fees below a level that will negatively impact the amount of revenue they produce.

In the case of certain investment products, including funds, the issuer, sponsor or fund manager may provide our financial professional with other forms of compensation, including business entertainment, expense reimbursement for travel associated with educational or similar business meetings, financial assistance in covering the cost of marketing and sales events, and nominal gifts. The receipt of these payments presents a conflict because it creates an incentive for the financial professional to recommend (and maximize the use of) those investment products whose issuers, sponsors or fund managers offer these forms of compensation.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL / DISCIPLINARY HISTORY?

Yes, the firm and some of our financial professionals have legal and/or disciplinary histories. Please visit Investor.gov for a free and simple search tool to research us and our financial professionals. You may research the firm and your financial professional's experience and licenses on FINRA's BrokerCheck website at brokercheck.finra.org/.

Conversation Starters: Questions you may want to ask your financial professional:

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

WHERE CAN I FIND ADDITIONAL INFORMATION?

For additional information about our brokerage services, our investment advisory services, or to obtain an updated copy of this Client Relationship Summary, please visit our website at www.josephgunnar.com. You may also request up-to-date information and request a copy of this Client Relationship Summary by calling us at (212) 440- 9600 or by contacting us in writing at Joseph Gunnar & Co., LLC, Attn: Form CRS, 30 Broad Street, 11th Floor, New York, NY 10004.

Conversation Starters: Questions you may want to ask your financial professional:

- Who is my primary contact person? Is that primary contact person 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?