

## INTRODUCTION

Capital Investment Brokerage, Inc. (“CIB”) (referred to as “we” or “us”) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer, and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Brokerage and investment advisory services differ and it is important for you to understand these differences. We have a network of Investment Professionals (“IP”) who offer brokerage services. To help you research firms and financial professionals, you can access free and simple tools at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides education materials about broker-dealers, investment advisers, and investing.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

As an introducing broker/dealer, our primary service is buying and selling securities for your account, at your direction. Your IP can offer recommendations to buy, sell, or hold securities, but you make the ultimate investment decisions. Please note that the range of investment options made available to you may be limited, depending on the license(s) your IP holds.

Unlike in advisory accounts, we do not offer or provide monitoring services for your brokerage accounts. Your IP may voluntarily review holdings in your brokerage account and may or may not make recommendations to you based on those reviews. These voluntary account reviews do not represent an account monitoring service. We may provide brokerage services, but not investment recommendations to you, if your IP is providing advisory services through a separate investment advisory firm.

We do not offer or make recommendations on all products of any particular type; for example, we do not offer or make recommendations on all mutual funds, or make available all share classes of the offered mutual funds.

**For additional information**, please see [www.Capital-Invest.com/compliance.php](http://www.Capital-Invest.com/compliance.php).

### Key questions to ask:

- Given my financial situation, should I choose a brokerage service? 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?

In a brokerage account, you will incur transaction charges when you buy or sell a security. *Transaction charges differ from one product to another, which creates an incentive to recommend products that have higher transaction charges. The more trades you make, the more transaction-based fees we earn. This creates an incentive to encourage you to trade often.*

For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For investments in bonds, this fee is typically included as part of the price you pay for the investment (“markup” or “markdown”). For investments in certain products like mutual funds, annuities, and alternative investments, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (e.g., sales loads). These fees are based on the amount you invest in a product and, depending on the product, may be based on how long you hold the investment. *Our receipt of asset-based sales loads creates an incentive to recommend products or sponsors that include such charges.*

### Other Fees and Costs

If applicable, your account may be charged, directly by the custodian, for other fees in addition to brokerage commissions, including: (1) account maintenance fees, such as custody, trade confirmation processing, corporate actions, and transfer fees; (2) cash management fees, such as cash sweep, checking, and wire fees; (3) interest charges, if you borrow on margin using a securities-based loan in an account; and (4) investment specific fees such as those for administration of alternative investments.

You may also incur fees charged by the particular investment product in which you are invested, including mutual funds, ETFs, and other pooled funds, in addition to brokerage commissions. Some of these fees may be shared, as described below in Third-Party Payments. Certain investment products have significant fees triggered by particular events, e.g., annuities may include mortality, expense, and administrative fees.

*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.*

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### Key questions to ask:

- 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? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

**When we provide you with a recommendation**, 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:

**Third-Party Payments:** We receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, annuities, alternative investments, and other investments. This compensation includes ongoing distribution charges (e.g., 12b-1 fees or trail payments), which an investment product charges you and then pays to us. In some accounts, uninvested cash is automatically placed into interest-bearing federally insured bank accounts. We may receive fees for your participation in these “cash sweep” programs from the banks sponsoring the programs. The fees we receive are in addition to any other fees you pay to us. *This creates an incentive for CIB, if you maintain a cash balance in your account.*

**Revenue Sharing:** The companies that sponsor, manage, and/or promote certain investments offered by us earn revenue by charging you a fee, such as a management fee in a mutual fund. A portion of these fees may be shared with us. We use the payments in part to support activities related to servicing client accounts, to provide educational programs and technology applications to IPs, and to provide ongoing product support for certain investments. *This results in a financial incentive to recommend products that provide additional compensation to us over those that pay lesser amounts or none at all. Such payments may also affect which products we make available.*

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### Key question to ask:

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

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## HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our IPs are primarily independent contractors and our agreement with each of them outlines the payments we make to them. Your IP is required to act in your best interest and not put his or her interests ahead of your own. IPs are compensated by receiving a portion of the commissions or markups/ markdowns from your trades, which vary by product. *Receiving a portion of those brokerage fees you pay to us creates an incentive for them to encourage you to increase your investment account size or trade more frequently.*

Our IPs receive different levels of compensation for selling different types of investments. This could include, for example, a share of the 12b-1 fees, trail payments, or sales loads paid to us by an investment product. *Although your IP must recommend investment products believed to be in your best interest, these additional forms of compensation create an incentive for them to recommend specific financial products.*

Our IPs may receive compensation from us in other ways, including:

- Transition assistance, if he or she moves to CIB from another company. This assistance can include forgivable and non-forgivable loans and/or waiving or reducing other costs associated with transitioning the IP’s business. *This creates incentives for IPs to encourage you to move your assets to CIB and to produce greater revenues by charging higher fees and engaging in commission-generating securities transactions.*
- Waived or reduced costs and fees (e.g., attending our conferences and events).

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

Yes. You can access the legal and disciplinary histories of CIB and our IPs using a free and simple search tool at [www.Investor.gov/CRS](http://www.Investor.gov/CRS).

### Key questions to ask

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

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## ADDITIONAL INFORMATION

**For additional information about our services**, please visit [Capital-Invest.com](http://Capital-Invest.com). If you would like additional, up-to-date information or a copy of this disclosure, please call our Compliance Department at (919) 831-2370.

### Key questions to ask:

- 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?