

RELATIONSHIP SUMMARY

Item 1. Introduction

- A. MerCap Securities, LLC (MCS) is registered with the Securities and Exchange Commission as a broker dealer. MCS is also a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). MCS receives its revenue from commissions generated by the sale of approved products.
- B. Free and simple tools are available to research firms and Financial Professionals (FPs) at Investor.gov/CRS, which also provides educational materials about broker-dealers and investing.

Item 2. Relationships and Services

- A. What investment services and advice can MCS provide to you?
- B. Description of Services: MCS offers limited brokerage services to retail investors which include mutual funds, variable annuities (VA) and variable life (VL) insurance. The firm offers selected mutual funds from a wide selection of mutual fund companies. The same applies to VAs and VLs. The firm offers no proprietary products.
MCS also has an affiliate company MerCap Advisors, Inc. (MCA). MCA is a Registered Investment Advisor registered with the Pennsylvania Securities department. MCA offers advisory services for a fee.
 - (i) Monitoring: The firm and its (FPs) monitor the accounts on an ongoing basis after the sale has been reviewed, approved and processed. Typically, the companies send investment statements to the Firm, Financial Professional and the investor or either a monthly or quarterly schedule. This allows all parties to monitor their investments. This is a standard service offered by the Firm.
 - (ii) Investment Authority: The firm does not allow discretionary authority which means the retail investor makes the ultimate decision regarding all investment decisions.
 - (iii) Limited Investment offerings: The Firm offers no proprietary products. The Firm offers an extensive menu of approved products.
 - (iv) Account Minimums: The Firm and/or company may place a limit on the amount of the investment and/or the minimum investment amount.
- C. Additional Information
The Firm provides recommendations subject to Regulation Best Interest.
- D. Additional Questions an investor may have:
 - (i) Given my financial situation, should I choose a brokerage service?
A brokerage account may have advantages. The account may offer a one-time commission rather than an ongoing annual or quarterly advisory fee.
 - (ii) Given my financial situation, should I choose an investment advisory service?
It depends.
An investment advisory account typically charges an ongoing quarterly or annual fee.
 - (iii) How will you choose investments to recommend to me?
Your FP will review your personal situation such as age, personal financial goals, time horizon, retirement goals, investment objectives, etc. to ascertain the appropriate investments for your personal situation.

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- (iv) What is your relevant experience, including your licenses, education and other qualifications?

Each potential investor/client should ask his FP these important questions. The FP's background can be reviewed at FINRA's Broker Check.

Item 3. Fees, Costs, Conflicts and Standard of Conduct

A. What fees will I pay?

(i) Description of Principal Fees and Costs:

- a. Brokerage accounts will have a commission. Commission options will vary depending on the commission option selected by you and your FP. Options vary from all up front to spreading out over a number of years. Commissions and fees will be disclosed and discussed with the client at or prior to the sale. A separate product disclosure form will be completed and reviewed with each client which will outline specifically all related charges, fees and expenses. The client, FP and Firm will be required to sign the form.
- b. Advisory accounts typically have an annual fee which is processed and paid quarterly. Fees are based on assets under management. The custodian selected may also charge a fee. These fees will be detailed in the client advisory agreement. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will also reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

B. Standard of Conduct

- (i) When we provide you with a recommendation, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create some conflicts with your interests. You should understand and ask us about any potential conflicts because they can affect the recommendations we provide you.

C. How do our FP's make money?

Our FP's do not receive a salary. They make their money from the sale of products via a brokerage commission from the sale of a particular product. If an advisory account, the advisor earns his compensation from advisory fees. The firm does not pay FP's or any additional incentive compensation for the sale of any products or services.

Item 4. Disciplinary History

A. Does the Firm or your FP have any legal or disciplinary history?

Search Tools:

FINRA Broker Check-Link

Investor.gov/CRS-Link

Item 5. Additional Information

If you need any additional information about our Firm or any FP or to request any up-to-date Information including our relationship summary, feel free to call (877)784-8021.

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