



# Garden State Securities, Inc.

MEMBER FINRA, SIPC

## Client Relationship Summary - June 30, 2020

Our firm is Garden State Securities, Inc. (“GSS”). We are registered with the Securities and Exchange Commission as a broker-dealer and we provide brokerage accounts and services rather than advisory accounts and services. We offer advisory services through our affiliate, Garden State Investment Advisory Services, LLC, and a client relationship summary for that firm is available at [www.gardenstatesecurities.com/gsiadv](http://www.gardenstatesecurities.com/gsiadv). You should carefully consider which types of accounts and services are right for you. There are free and simple tools available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information. There are some suggested questions throughout this summary.

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

- GSS offers brokerage services. If you open a brokerage account with us, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy or sell an investment.
- You may select investments or we may recommend investments for your account, but the ultimate investment decision as to your investment strategy and the purchase or sale of investments will be yours.
- We can offer you additional services to assist you in developing and executing your investment strategy, but you might pay more. Such services are negotiated between you and your financial professional, including the frequency and any material limitations on the services. We do not offer investment monitoring services. Our clearing firm will deliver account statements to you either on a quarterly or monthly basis, based on account activity.
- We offer a limited selection of investments. For example, we offer stocks, bonds, mutual funds, exchange traded funds, variable annuities, and private placements. We do not offer proprietary products. Other firms could offer a wider range of choices, some of which might have higher or lower costs.
- We do not have any requirements to open or maintain an account, such as minimum size or investment amount.

#### **Conversation Starters:** (Ask your Financial Professional these questions to understand more.)

Given my financial situation, why should I choose a brokerage account? How will you choose investments to recommend for my account? 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.

### ***What fees will I pay?***

The fee you pay is based on the specific transaction and not the value or performance of your account.

- With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a “mark-up” or “mark down”). With mutual funds, this fee (typically called a “load”) reduces the value of your investment.
- Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as “surrender charges” to sell the investment.
- Our fees vary and some are negotiable between you and your financial professional. The amount you pay will depend, for example, 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 and account maintenance fees. A separate schedule of these miscellaneous charges (“Miscellaneous Charges”) is provided to all clients when they open an account.
- The more transactions in your account, the more fees that could be charged. We therefore have an incentive to encourage you to engage in transactions.

#### **Conversation Starter:**

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?

- 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.

***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. When we provide any service to you, we must treat you fairly and comply with a number of specific obligations. Unless we agree otherwise, we are not required to monitor your portfolio or investments on an ongoing basis. 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:

- We receive a portion of certain fees assessed by the clearing firm, such as margin interest and money market balances.
- We receive a portion of the fees that are generated on trades that our financial professionals recommend and also on trades that you initiate yourself.
- We offer incentives to certain financial professionals to increase their earning when they achieve compensation thresholds.

**Conversation Starter:**

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

***How do your financial professionals make money?***

Our financial professionals generate commissions (or other transaction-based fees as described above) based on the trades that they recommend to you and also trades that you initiate yourself. Of the total commissions generated by your financial professional, they receive a percentage of the total commission and GSS receives the other portion. Some of our investment professionals receive a higher percentage of the commission based on the amount of sales they have made in a particular time period. Some of our investment professionals receive a portion of the charges assessed by us. Our firm does not engage in any practice that favors one type of investment over another, sell proprietary products, or limit the type of customer that is solicited or the product, transaction, or strategy that is being recommended. We also do not participate in sales contests, sales quotas, bonuses, or provide non-cash compensation based on the type of security recommended.

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

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

**Conversation Starter:**

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

***Additional information***

For additional information about our financial professionals and services, visit [Investor.gov](http://Investor.gov), BrokerCheck ([BrokerCheck.Finra.org](http://BrokerCheck.Finra.org)), our web site ([www.gardenstatesecurities.com](http://www.gardenstatesecurities.com)) and your account agreement. Our phone

number is 732-280-6886 if you would like to receive additional information and a copy of this summary of our relationship. To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC’s toll-free investor assistance line at 800-732-0330. To report a problem to FINRA, you can call 301-590-6500. If you have a problem with your investments, account or financial professional, contact us in writing, Garden State Securities, Inc., attention: Compliance Department, 328 Newman Springs Road, Red Bank, New Jersey 07701

**Conversation Starter:**

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 on how this person is treating me?