

Form CRS – Conversation Starters

1) *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?*

In a brokerage account, investment advice is typically given prior to the time of the trade. In an advisory account, advice and monitoring occur on an ongoing or continual basis (i.e., discretionary account activity). In a brokerage account, the more you trade, the more fees (i.e., commissions) you owe. In an advisory account, trading costs are included in an overall “wrap” fee. If you have a “buy and hold” investment strategy and have a limited need for monitoring and advice, then a brokerage account may be a good fit for you. However, if you’d like ongoing monitoring of your account, then an advisory account may be a better choice.

2) *How will you choose investments to recommend to me?*

The investments that we recommend to you will depend on your personal financial situation and your investment profile. Your investment profile includes information such as your age, tax status, investment objectives, investment experience, investment time horizon, liquidity needs and risk tolerance. Our Financial Advisor will discuss with you the potential risks and rewards of each investment or investment strategy recommended for you.

3) *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

Our Financial Advisor will discuss with you their securities industry experience, education, industry licenses, and certifications, as well as explain what these qualifications mean. Each of our Financial Advisors will hold, at a minimum, the Series 7 general securities license, the Series 63 Uniform Securities Agent State Law license, and the Series 65 (or 66) Uniform Investment Adviser Law license. Many of our Financial Advisors also hold the Life/Health insurance license. You may also research the background and experience of your financial professional through *BrokerCheck*, which is a free online tool sponsored by FINRA to research the background and experience of financial brokers, advisers and firms.

4) *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?*

With \$10,000 to investment through our brokerage platform you will be charged a commission fee on each transaction (buying or selling), with the percent of commission being dependent of the type of security you purchase. The various commissions and fees that we charge customers are disclosed in our Commission & Fee Schedule. Our advisory program accounts each have account opening investment minimums. Fee percentages for our advisory program accounts are based on the total amount of assets under management (AUM) in your account; the higher your AUM, the less percentage you pay us in fees. The fees that we charge for our advisory services are outlined in our *Horizons Program* account wrap fee brochure.

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

Conflict of interests can arise in any business, irrespective of the size. New conflicts of interest can arise rapidly as a business grows and evolves and may become apparent to front-line employees before they come to the attention of more senior managers. We understand that our conflicts of interest, if not effectively managed, could adversely impact your financial investments and your trust in us, and adversely impact our reputation, and the reputation of our parent bank.

We address our conflicts of interest through a robust risk management program and through our strong culture of compliance. We believe that the best antidote for mitigating our conflicts of interest is a strong ethics program for the organization. We believe that our conflicts of interest are effectively managed by a variety of means, including but not limited to:

Commerce Brokerage Services, Inc., is a member of FINRA and SIPC, and is an SEC-registered Investment Advisor. Insurance products are offered through Commerce Insurance Services, Inc., a subsidiary of Commerce Bank.



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- Oversight of conflicts of interest mitigation by our Board and senior leadership,
- Auditing and monitoring program that encompass testing of the effectiveness of the organization's conflicts of interest policies and procedures, and;
- Education, training and communication about the responsibilities of everyone in the organization regarding identifying, escalating and remediating conflicts of interest.

6) *What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? 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 and want to act in your best interest and not put our interest ahead of yours. Our Financial Advisors must take into consideration all the account types that we offer (i.e., brokerage and advisory accounts) when making a recommendation that is in your best interest. At the same time, the way we make money (i.e., brokerage commissions, advisory fees) creates some conflict with your interests. For your convenience, we outline and discuss our conflicts of interest in our *Regulation Best Interest Disclosure*. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you.

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

Our Financial Advisor can discuss with you any regulatory disciplinary disclosures they may have, as reflected on their individual FINRA registration record. Also, for your convenience FINRA offers a free online search tool, *BrokerCheck*, which allows investors to research the background and experience of financial brokers, advisers and firms.

8) *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?*

With your request and approval, we will assign a Financial Advisor to your account to make investment recommendations. Our firm is a dually registered brokerage firm and investment advisor. As such, our Financial Advisors are registered representatives of both our brokerage and advisory entities. If you should have any concerns regarding how you are treated by your Financial Advisor you may contact your Financial Advisor's Sales Manager, who may be reached through (800) 772-7283, option 2.

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