

The GMS Group, LLC

Client Relationship Summary



INTRODUCTION

The GMS Group, LLC (“GMS”) 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”). GMS believes that transparency related to the services we offer, the fees we charge and the business model we follow is essential to establishing a trusted relationship with clients. GMS specializes in tax-free municipal bonds while providing a full range of investment products and services. GMS knows it is in the best interest of our clients for them to understand the cost related to the services that GMS offers. Additional information and educational materials are available to you at www.investor.gov/CRS.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Conversation Starters – ask your financial professional: Given my financial situation, should I choose a brokerage service? Why or why not?

GMS provides a full range of both fixed-income and equity products and services and offers full service brokerage services to its retail investors. GMS provides advice and offers various retirement plan options covered by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). These investment services compliment the fixed-income needs and objectives of High-Net-Worth individuals, corporations, not-for-profit organizations, states, local governments, banks, insurance companies and more. GMS offers a wide range of investments and makes appropriate recommendations, including: tax-free municipal bonds; corporate and government issued bonds; mutual funds, exchange traded funds (“ETFs”); equities, options, Certificates of Deposit; Structured Notes; and others. GMS does not have a minimum investment to open an account. GMS offers cash sweep services, securities-based credit lines and margin lending. From time to time management will voluntarily review the holdings in a client’s account, however we do not provide an ongoing monitoring service or monitor a client’s account and Regulation Best Interest does not require us to do so.

WHAT FEES WILL I PAY?

Conversation Starters – 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?

The fees paid by our clients depend on the nature of the product or service provided. You will pay certain fees and costs whether or not your account or investments make or lose money. 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. Clients will pay a fee for each transaction, which vary from product to product. For individual fixed-income products, the cost to the client typically includes any fee or mark-up/mark-down, so the price paid is the total amount paid by a client. For equity investments, a commission is charged for each transaction. Fees for mutual funds are determined and disclosed by the mutual fund manager. Our registered representatives are paid fees and commissions based on these transactions. In our capacity as a broker-dealer, GMS account executives will make recommendations about the brokerage account to open, investment recommendations, suggestions regarding roll overs or transfer of asset from or to retirement or other brokerage accounts and more. However, as the client you make the ultimate decisions regarding your accounts and investments. GMS and its registered representatives will take all appropriate actions to eliminate or disclose any potential conflicts of interest it may have with you or any client. When we provide you with a recommendation as your broker-dealer, we have to act in your best interest and not put our interest ahead of yours.

In addition to transaction-based fees, you may incur additional fees such as account maintenance fees; administrative fees (for handling trades, wire fees, transfer fees, bank charges); lending and margin interest; expense ratio charges for mutual funds, ETFs and other investments; and possible “surrender charges” if you sell an investment before a specified holding period. Additionally, you may incur an underwriting fee or spread, which is included in the price you pay for a new issue security in which GMS is acting

as an underwriter or member of the underwriting syndicate or selling group. In certain instances, GMS may receive additional underwriting compensation for meeting certain share volume thresholds. The amount of the underwriting spread and additional compensation received or to be received by GMS is set forth in the prospectus or the official statement for the issued security, which is provided or made available to each purchaser.

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO I HAVE?

Conversations Starters – ask your financial professional: How might your conflicts of interest affect me, and how will you address them?

GMS and its registered representatives are obligated to comply with all legal and regulatory requirements. Included in this is the firm's dedication to acting and providing advice that is in the best interest of its clients. The firm's compliance department and supervisors constantly monitor its account executives and the activity in accounts for suitability, reasonableness of investments and turnover ratios, among other regulatory requirements. GMS does not currently have available and does not currently offer proprietary products that may provide additional sales incentives to its account executives. Account executives are all provided with continuous training on products and regulatory requirements. GMS does disclose to its clients that there are certain inherent potential conflicts of interest, including between GMS and its customers as well as conflicts between other customers of GMS who: (i) may have different market objectives and, therefore, may be advised to buy or sell differently than you; (ii) may not be retirement account clients and who may execute transactions that are different than yours based on their decisions; (iii) may have securities in accounts or may purchase securities which may have different fee structures or transaction costs and receive different services; and (iv) have accounts that are handled by the same or a different GMS account executive and who may be advised differently depending on a number of relevant factors that are in the best interest of that client. Unless you are advised in writing prior to establishing your account relationship with GMS and its registered representative (broker), GMS is acting in its capacity of broker/dealer and the broker is acting as a broker/dealer agent. Absent any written disclosure to you by GMS, it is understood that GMS is not acting as an investment advisor and your account established with GMS is a non-discretionary, securities brokerage account. The client makes the ultimate decision with regard to all investments in these cases.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our retail account executives are compensated based on a percentage of the commissions they produce. Our fixed-income traders are compensated based on a salary and bonus structure. Since our registered representatives and principal traders are compensated for transactions, there is various degree of motivation among GMS account executives and traders to execute more trades with clients. Commissioned brokers will transact trades with clients as often as they deem mutually beneficial. A GMS account executive can potentially generate more revenue for GMS from a principal transaction. GMS recommendations are made in the best interest of each individual client, however, every transaction is ultimately the client's decision.

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

Conversation Starters – ask your financial professional: As a financial professional, do you have any disciplinary history? For what type of conduct?

Yes, GMS and some of its current and former registered representatives have faced disciplinary actions or arbitrations brought by regulators or customers. Visit www.investor.gov/CRS for further information to research GMS and our registered representatives. GMS prides itself in its level of professionalism and transparency. However, even the best-intentioned firm and account executives do occasionally make mistakes and afoul of regulatory rules, despite our best intentions.

ADDITIONAL INFORMATION

Conversation Starters – ask your financial professional: 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?

You can always ask your financial professional for more information. You can request a copy of this relationship summary at 1-877-467-0070 and a copy of the relationship summary is available on our website at: www.gmsgroup.com