

Introduction

Richards, Merrill & Peterson, Inc. (RMPI) provides both brokerage and investment advisory services and is registered as a broker-dealer and as an investment advisor with the Securities and Exchange Commission (SEC), commonly referred to as a duly registered firm. RMPI is also members of the Securities Investor Protection Corporation (SIPC) and the Financial Industry Regulatory Authority (FINRA).

Brokerage and advisory fees differ. For a description of some of the differences between brokerage and advisory accounts. There are some free and simple tools available for you to use at Investor.gov/CRS, a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

This relationship summary provides information that helps you make an informed decision about whether or not to invest with us and will answer the following questions:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are your legal obligations to me when providing recommendations as my broker-dealer, or when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?
- Where can I find additional information?

Terms to Know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

What investment services and advice can you provide me?

RMPI provides both brokerage and investment adviser services to retail customers. We provide both brokerage and advisory discretionary and non-discretionary services through a cash account. In a brokerage or advisory account, you must pay the full amount for securities purchased. RMPI offers individual, joint, custodial, DVP, estate and trust, partnership, individual retirement, other types of retirement accounts as outlined in our account agreement(s).

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding equity, fixed income and mutual fund securities. For more information concerning available account types and services speak with one of our financial advisers or go to <http://www.rmpinvest.com/>, where you can access to ADV-2A brochure and Reg BI Disclosure documents.

Conversation Starters - ask your financial professional:

- 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?
- 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?

Brokerage Services

When you establish a brokerage account(s) with us, you can buy, sell and hold investments within your account. The primary services we provide are our trading capabilities. We execute purchases and sales and make recommendations to buy, sell or hold assets on your behalf and as directed by you. You make the ultimate decision regarding the purchase or sale of investments and we do not monitor your investments. In a brokerage services relationship, we can trade with you for our own account, for an affiliate or for another client and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation. However, we are not required to communicate it in advance, obtain your consent or inform you of any profit earned on trades. Brokerage accounts there is no minimum amount of assets to be invested.

Investment Advisory Services

RMPI offers both discretionary and non-discretionary accounts. When engaged on a discretionary basis, we will buy and sell investments in your account as appropriate without requiring your pre-approval on an ongoing basis until you notify us in writing to switch. You may impose reasonable restrictions. When engaged on a non-discretionary basis, you make the ultimate decision regarding the purchase or sale of investments. While the underlying securities within your account are continually monitored, your accounts are reviewed at least quarterly as part of our standard service.

What fees will I pay?

An advisory account is unlike a brokerage account(s) which does not offer associated investment advisory services and which imposes charges to clients on a transaction basis. Investment advisory account(s) receive investment advisory services and pay an asset-based fee rather than commissions or other charges at the time of each transaction.

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. For advisory accounts, there is no minimum amount of assets to be invested. This may be amended from time to time at RMPI sole discretion.

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?

Brokerage Services Fees

Retail investors will incur fees from commissions, concessions, other costs and services. These costs are assessed on a per transaction basis and may be an area of potential conflict of interest. Pay close attention to transaction fees and if you trade often, be aware of the costs associated. As a guideline not an actual regulation, the Financial Industry Regulatory Authority (FINRA) formerly NASD, created the five percent rule which requires brokers to use fair and ethical practices when setting commission rates on over-the-counter transactions. The rule stipulates that a broker may charge the commission percentage by 5%, either up or down, on standard trades so that the prices investors pay are reasonably related to the market for those securities. The rule, also known as the FINRA 5% markup policy, also applies to other transactions, including proceeds sales and riskless transactions. It is our firm's practice to charge an average of 1% - 1 ½% on individual stock transactions which can be more based upon the size of the transaction. Please ask your financial advisor for more information.

An additional \$10.00 transaction fee may be charged for each equity, debt transaction and all mutual fund sells.

Depending on the circumstances of the transaction, the broker may charge commissions that are less than those outlined above.

Debt Securities

All principal transactions for municipal, corporate and agency bonds trades will be charged a fee ranging from .05% - 2% depending upon the principal dollar amount of the transaction.

You will pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds, and other investment purchases and sales. These transaction-based fees are generally referred to as a "commission", "mark up", "sales load", or a "sales charge". You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

Conflicts of interest may exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially adverse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our financial advisors, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients, affiliated and non-affiliated product providers and money managers. We do not offer Proprietary Products. Securities rules allow for us, our financial advisors, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our financial advisors receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. For more detailed information with regard to conflicts of interest and brokerage fees go to <http://www.rmpinvest.com/services> to gain access to our Regulation Best Interest (Reg BI) Disclosure document.

Investment Advisory Services

RMPI offers two different advisory programs. One provides more diversity among investment options and quarterly contact with the adviser (noted as IA 1). The other program provides mutual fund modeled portfolios only, with a minimum annual contact with adviser (noted as IA 2).

The following are the fees charged for services provided (250M = \$250,000): Annual rate divided monthly.

The general fee schedule for IA 1 is as follows, (fees are negotiable):

Amount	Fee
\$100M-\$250M	1.00%
\$250M-\$500M	0.95%
\$500M-\$1MM	0.80%
\$1MM-\$3MM	0.75%
\$3MM+	0.67%

The general fee schedule for IA 2 is as follows, (fees are negotiable):

Amount	Fee
\$0- \$25M	0.90%
\$25M-\$50M	0.85%
\$50M-\$100M	0.80%
\$100M +	0.75%

The annual account(s) fee for advisory services is negotiable and can be offered at lower rates than the above schedule depending upon the customers' circumstances, level of account(s) service required, type of account(s), investment experience, size of the account(s) and other considerations. In certain cases, other reduced fee arrangements such as a flat percentage on total assets or a fixed dollar amount per year might be appropriate and can be negotiated with your account(s) Adviser Representative. Lower fees for comparable services may be available from other sources. More detailed information with regard to account(S) fees is available in Items 5 (Fees and Compensation) and 11 (B.- Recommendations Involving Material Financial Interests) of Part 2A Form ADV. The more assets there are in a retail investor's advisory account, the more a retail investor will pay in fees, and the firm may therefore have an incentive to encourage the retail investor to increase the assets in his or her account.

Other Fees and Costs

The Account Fee covers only the advisory services provided by RMPI (*i.e.*, *advisory fee and certain administrative fees*) and does not include, mark-ups and mark-downs, dealer spreads or other cost associated with the purchase and sale of securities. The client understands that, in addition to the Account Fee paid to RMPI pursuant to this Agreement, each mutual fund in which the Client may invest may also bear its own investment advisory fees and other expenses which are disclosed in each fund's prospectus. In addition, the Account Fee does not include any compensation RMPI may receive from mutual fund 12b-1 fees. (RMPI's current policy is to refund all 12b-1 fees to customer).

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?

Conversation Starters - ask your financial professional:

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

Standard of Conduct

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, 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 and investment advice we provide you. Here are some examples to help you understand what this means.

Examples of Ways We Make Money and Conflicts of Interest

Transaction-Based Conflicts

In your brokerage account, you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial advisor receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

Markups and Markdowns for Principal Transactions

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules.

Account Maintenance and Other Administrative Fees

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. The higher the fees we charge, the more we are compensated.

For additional information about potential conflicts of interest, please see <http://www.rmpinvest.com/services>.

How do your financial professionals make money?

In your brokerage account, you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial advisor receive.

In your advisory account you pay monthly advisory fees based on the accounts asset value and certain minimal fees in connection with the buying and selling of each investment product, including mutual funds, variable annuities, alternative investments, exchange traded funds, equity securities, and bonds.

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

Yes. Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starters - ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?
 - 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?
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Where can I find additional information?

You can always ask your financial advisor for more information and request a copy of this relationship summary by calling us at (800)-572-5296 going to <http://www.rmpinvest.com/> where you can access Form CRS, ADV-2a, and Reg BI disclosures.