

## CUSTOMER RELATIONS SUMMARY for SISUNG SECURITIES CORPORATION (SSC)

### **INTRODUCTION to SISUNG SECURITIES CORPORATION**

Sisung Securities Corporation (SSC) is a full-service broker-dealer that provides several kinds of brokerage accounts and services. **We are not an investment advisory firm.** However, we have an affiliated registered advisory firm, Sisung Investment Management Services, LLC (SIMS). Brokerage and investment advisory services and fees differ. It is important for you to understand the differences, so please ask questions if you need clarity.

- An investment advisory account charges fees based on the **account value**. The fees are assessed in a scheduled, periodic manner. You pay these fees even if you had no trades for that period nor any profit. Sisung Securities Corporation does not offer investment advisory accounts or services. However, our affiliate firm, SIMS, can carry accounts through SSC. Sisung Securities Corporation neither manages nor benefits from fees due SIMS.
- Brokerage-account fees are **transaction- or trade-based fees**. Each trade incurs a commission or other applicable fee, depending on the type of security, and is included in the full cost of the trade.

SSC is a registered broker-dealer with the Securities and Exchange Commission (SEC). We are also a member of the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB), and the Securities Investor Protection Corporation (SIPC). In addition, our investment professionals have undergone rigorous testing to obtain various professional certifications from regulatory authorities. For more information, please visit our website at [www.sisung.com](http://www.sisung.com) or call us at 504-544-7746. You can also find free and simple tools available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) or <https://brokercheck.finra.org/firm/summary/25752>. You will also find educational materials about broker-dealers, investment advisers, and investing.

### **RELATIONSHIPS and SERVICES**

“What investment services and advice can you provide me? Given my financial situation, should I choose a brokerage service? Why or why not?”

Sisung Securities Corp offers full-service brokerage services and accounts to retail investors. This includes buying and selling securities, helping you develop an individual investment strategy, and offering security recommendations to you based on your individual needs. You will have the final decision in a brokerage account; we encourage you to ask as many questions as needed to ensure you fully understand your choices.

- **Types of accounts offered:** >Individual and joint accounts >Retirement accounts (includes IRAs, Roth IRAs, other types of retirement accounts) >Need-specific accounts (includes usufruct, custodial, trusts, others)
- **Services, based on individual needs:**

Before offering a security recommendation to you, we research the security to be sure it could benefit your investment strategy. Receiving this research does not increase the fees or costs for the account. Based on the above, we may suggest you invest in one or more of the following: >US Treasury bills and notes and Agencies >Mutual funds >Corporate stocks, bonds >Municipal bonds >Variable annuities >Exchange-traded funds (ETFs)

*We strive to monitor each client portfolio closely. Periodically, we monitor your portfolio or investments on an ongoing basis. We strongly suggest you regularly interact with your investment professional to review your portfolio and discuss any current investment needs.*

### **FEES, COSTS, CONFLICTS, and STANDARD of CONDUCT**

“What fees will I pay?”

Brokerage-account fees are **transaction-based or trade-based fees**. Each trade incurs a commission or other applicable fee, depending on the type of security. This is included in the full cost of the trade and is paid by the account holder. **With transaction-based fees**, the more trades an investment professional does, the more money he makes. This could give rise to excessive, unscrupulous trading in a client’s account. **Sisung Securities Corporation strongly rejects this type of client treatment and takes steps to prevent it.**

Other fees: **You will pay applicable 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.**

1) You will pay small administrative fees to Pershing for servicing your account in addition to any transaction-based fees paid to Sisung. These fees are based on a variety of things including, but not limited to, the account type and level of account activity. 2) In the case of mutual funds and annuities, the broker may receive 12b-1 fees from the security. The client does not directly pay the 12b-1 fees, but the fees reduce the net asset value (NAV) of the mutual fund.

“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?”

- ❖ If you make a stock purchase for \$7,000 with a \$100 commission, the trade total would be \$7,100. This would leave \$2,900 in the account. If periodic account fees from our clearing house become due, these fees would be deducted from the cash balance. Thus, a fee of \$50 charged to the account would leave \$2,850 cash available for future transactions.

“What are your legal obligations to me when providing a recommendation? 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 above yours. At the same time, the way we make money could create some conflicts with your interests. You should understand and ask us about these possible conflicts because they can affect the recommendations we provide you. Here are some examples of conflicts to help you understand what this means:

- ✓ By advising you to purchase a particular security; ie, sales bonuses
- ✓ Incentives for you to invest in certain investments due to any revenue-sharing arrangements
- ✓ “Acting as principal” transactions; ie; buying or selling investments to you from our own accounts

“How might your conflicts of interest affect me and how will you address them?” How do your professionals make money?

- ✓ **SSC does NOT offer sales bonuses**
- ✓ **SSC does not participate in any revenue-sharing arrangements**
- ✓ **SSC generally does NOT transact principal trades with clients.** On the rare occurrence this could happen, it would be indicated on your confirmation.
- ❖ Sisung Securities investment professionals are only paid as explained earlier: through sales commissions and possible 12b-1 fees.

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

YES.

“For what type of conduct?”

In 2003, the NASD (now FINRA) alleged that affiliates of SSC made political contributions that would invoke a two-year ban on municipal business by SSC for all Louisiana municipalities. Prior to making these contributions, SSC proactively engaged legal counsel and received an independent legal opinion as to the legality of their nature and to determine that such contributions would, in fact, not constitute a violation of the MSRB “Pay to Play” rule.

The SEC disagreed with the NASD, and in a 2007 final action, the SEC reversed the NASD’s decision. The SEC held that neither SSC nor any associated persons violated the MSRB’s “Pay to Play” prohibitions. The SEC found no evidence that the contributions influenced the awarding of municipal securities business and thus no violations of the “Pay to Play” provisions. However, the SEC did uphold certain record keeping and reporting violations that NASD found to be “Good Faith” and “Non-Egregious” violations. The SEC recognized the NASD’s finding of the “absence of culpable intent, the aberrant nature of the firm’s misconduct, and the firm’s regulatory cooperation to be mitigative.” SSC continues to believe it complied with the rules as written.

For further information, please visit [www.investor.gov](http://www.investor.gov) or <https://brokercheck.finra.org>. You may also visit [www.sisung.com](http://www.sisung.com) or call 504-544-7746.