

## ACP Securities, LLC and ACP Capital Management, LLC Form CRS Customer Relationship Summary – August 2022

### ITEM 1: INTRODUCTION

ACP Securities, LLC, “ACPS” or the “Firm” 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). ACP Capital Management, LLC, “ACPCM” or the “Adviser” is an (affiliate) investment adviser registered with the SEC. ACPS and ACPCM are often collectively referred to as “ACP” and referenced as “We” throughout this Summary. ACP related entities maintain both common ownerships, as well as share certain office space and personnel that may be dually associated with referenced entities. While the aforementioned entities conduct in part shared operations, they offer separate and distinct services. Security products are offered and conducted through ACPS and advisory products and services are offered through ACPCM. **Brokerage and investment advisory services and fees differ and it is important for you to understand these differences.**

Free and simple tools are 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.

### ITEM 2: RELATIONSHIPS AND SERVICES

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

ACP offers brokerage services through ACPS and investment advisory services through ACPCM to retail investors.

Our **brokerage** services include buying and selling securities. We may offer recommendations; however, we do not have discretionary authority over your brokerage account. This means that you, the client, makes the ultimate decision regarding the purchase or sale of investments. The recommendations we make available or offer advice on are not solely provided with respect to proprietary products or a limited menu of products or types of investments. ACPS does not have any material limitations on the type of products it can recommend. Clients are able to transact different products, including stocks, bonds, mutual funds, ETFs, options, and alternatives products. ACPS also offers institutional trading capabilities on equities, fixed income and structured notes. ACPS does not offer account monitoring services, unless the retail investor requires it. From time to time, ACPS voluntarily reviews clients’ accounts to determine whether our recommendation continues to be in clients’ best interest. ACPS targets account minimums of \$500,000, but we may reduce or waive this minimum in some circumstances.

Our **advisory** services include discretionary and non- discretionary mandates. For non- discretionary portfolios, the investor makes the ultimate decision regarding the purchase and/or sale of investments. ACPCM oversees the performance of the investments and reports to the investor on a periodic basis. ACPCM also offers discretionary mandates focused on Emerging Markets fixed income strategies as well as asset backed securities. An investor may also select a customized portfolio looking to match its very own specific needs and requirements. ACPCM offers Traditional Investment Portfolios, and Structured Products and Emerging Markets Fixed Income Portfolios.. ACPCM has the capabilities to structure and monitor these types of portfolios. The Firm targets account minimums of \$250,000 with the exception of Structured Fixed Income Portfolios, where the minimum is \$1,000,000. Exceptions may be made at the discretion of the Adviser. ACPCM generally monitors its managed accounts on a systemic basis, and each account is reviewed quarterly by Compliance. More active and larger accounts may be reviewed on a daily basis. This does not present an extra charge to the client, and is provided as part of a standard service to the client.

**For additional information**, please see the Firm’s Regulation Best Interest Disclosures, Form ADV, Part 2A brochure (Items 4 and 7) and other applicable documents. Please also visit our website at [www.acp-group.com](http://www.acp-group.com) or visit [www.sec.gov](http://www.sec.gov) / [www.finra.org](http://www.finra.org) for ACPCM’s Form ADV or ACPS’s full profile, respectively.

#### **Conversation Starters. Ask your financial professional –**

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerageservice? 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?

## ITEM 3: FEES, COSTS, CONFLICTS, AND STANDARDS OF CONDUCT

### What fees will I pay?

The principal and main costs retail investors will incur for brokerage services are commissions charged to each transaction performed in the account. Every time the client buys or sells a security there will be a commission assessed on the transaction. The more transactions placed on an account, the more commissions are generated and therefore, the firm has an incentive to encourage you to trade often.

ACPS will mark up the price when we sell you a security, and ACPS will mark down the price when we buy a security from you. There are other fees and costs involved in a brokerage account and when dealing with a brokerage house which include but are not limited to: custodian fees, service fees, account maintenance fees, fees related to mutual funds or alternative investments and other transactional and product level fees.

When utilizing the services of ACPCM, retail investors will pay advisory services fees on a quarterly basis for as long as the account is managed and or supervised by ACPCM. This fees are paid and calculated on the amount of assets held on the account ACPCM is managing. The more assets there are in a retail investor's 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. Annualized Fees for Traditional Investment Portfolios can range between 0.50% and 1.50% for Equity and Balanced Accounts or between 0.10% and 1.00% for Fixed Income Accounts depending on the assets we manage for you. All fees are negotiable. ACPCM also charges a management fee of 1.50% of assets under management along with a performance-based fee of up to 20% of the annual gross profits for the account for Structured Products and Emerging Markets Fixed Income Portfolios.

Performance-based fees are payable annually, during the first quarter of any given year based on the preceding year's account performance (i.e. performance fee to be paid in January 2022 based on account's performance as of December 2021). Management fees are based on assets under management on the last day of the quarter, and deducted or billed on a quarterly basis on the month following the previous quarter (i.e. fees to be deducted in April for advisory services rendered in January through March). Fee amounts will be prorated based on inception or termination date of respective accounts.

For qualified investors, there could be arrangements where an advisory fee is charged as well as a performance fee if certain performance hurdles are achieved. Performance fees can potentially incentivize us to make more speculative investments than would be the case in the absence of such performance fee arrangement.

Retail investors may also incur other fees and costs related to investment advisory services which include but are not limited to custodian fees, account maintenance fees, fees related to mutual funds and money market funds and other transactional and product level fees.

**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 additional information**, please see the Firm's Regulation Best Interest Disclosures, Form ADV, Part 2A brochure (Item 5) and other applicable documents. Please ask us for more information.

#### **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?

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### *Conversation Starters. Ask your financial professional –*

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## 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 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:*

- **Financial Affiliations:** Adviser utilizes the Firm as an introducing broker-dealer for certain securities transactions of advisory clients. In such case, the Firm and/or associated persons will receive compensation for brokerage transactions affected in these advisory accounts, and for the purchase of investment products recommended.
- **Performance-based Fees:** When performance fees are charged for your account based on our agreement with you, those fees can potentially incentivize us to make more speculative investments than would be the case in the absence of such performance fee arrangement
- **Rebates and/or Trailer Fees:** Certain Investment Adviser Representatives (IAR) who are dually associated with the Firm receive additional compensation related to advisory assets in the form of referrals fees and rebates/trailer (i.e. 12b-1 fees), from mutual funds companies in which the IARs invest your money. These trailer fees are received by the Firm and shared with IARs of the Adviser. The receipt of trailer fees creates a conflict of interest and material incentive for your IAR to recommend purchases of mutual funds with rebate arrangements with the Adviser and its affiliates
- **Referral Fees/Third Party Payments:** We may compensate individuals and/or entities for referring clients to us. There is a conflict of interest in utilizing a solicitor, or similar, as there is an incentive for us to select a particular individual / entity over another. There is also an incentive for us to manage more assets and receive higher compensation, while we share part of such compensation with the referring individual/entity
- **Client Transactions and Personal Trading:** Our employees and their family members may recommend or invest in securities in which our related persons or affiliate, directly or indirectly, has a position or material financial interest. Similarly, we and our related persons may also buy or sell for ourselves securities that we also recommend to you. Such transactions can include trading in securities in a manner that may be inconsistent with the advice given to you. In certain instances, the results of the investment activities of our associated or related persons for their accounts can differ from the results achieved by or for the account we manage for you
- **Proprietary products:** ACPS and or ACPCM might decide to develop investment products created internally within the group. These products may be offered to existing clients of both ACPS and ACPCM. Depending on the product, ACPS or ACPCM may charge investors different types of fees that may include but may not be limited to placement fees, management fees and performance fees. The Firm will share a portion of these fees with the financial representatives of both ACPS and ACPCM that introduced the investors
- **Revenue Sharing/Placement Fees/Distribution Fees:** The Firm may recommend investment products (i.e. hedge funds, private investment funds, direct deals, etc.) that offer these types of revenues to ACP. The Firm may in turn share these fees with investment representatives that solicited the products to investors
- **Principal Trading:** ACPS may sell to its client's positions from its own book and could potentially profit from the transaction which would represent a conflict of interest

Any conflicts of interest related to recommendations of other professionals will be disclosed to you in the event they should occur. We have policies and procedures to monitor the potential conflicts disclosed above. We render only disinterested and impartial advice to clients, and we are responsible for recommending investments based on your financial profile and objectives.

#### *Conversation Starters. Ask your financial professional –*

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

**For additional information,** please see the Firm's Regulation Best Interest Disclosures, Form ADV, Part 2A brochure and other applicable documents. Please ask us for more information.

### How do your financial professionals make money?

The Adviser's Investment Adviser Representatives are compensated by a percentage of the assets under management they manage. ACPS' financial professionals are compensated a percentage of the total revenues generated in each account or client. There could be instances where certain products (i.e. mutual funds or ETPs or private investments) offer upfront commissions depending on total amounts invested and would also offer a back-end commission depending on performance of the investment. The Firm has the discretion to compensate the financial professionals with a discretionary bonus based on performance be it of total assets under management or supervision or based on total revenues generated for a certain period of time. Our representatives can get increased compensation based on higher production. This represents a conflict of interest since the more commissions they generate, the more they earn. Certain products pay ongoing compensation (trailers), therefore our financial professionals (some of which may be dually registered) may be incentivized to recommend products that have higher fees and/or ongoing payments.

### ITEM 4: DISCIPLINARY HISTORY

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

Yes. ACPS has legal or disciplinary history that is currently disclosed on Form BD Item 11.E and is publicly available through BrokerCheck following the link outlined below. Our financial professionals do not have legal or disciplinary history. <https://brokercheck.finra.org/firm/summary/139049>.

Please visit [Investor.gov/CRS](http://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?

### ITEM 5: ADDITIONAL INFORMATION

**For additional information** about our brokerage or investment advisory services or to request a copy of the relationship summary, please contact us at [info@acpsecurities.com](mailto:info@acpsecurities.com). If you would like additional, up-to-date information or a copy of this disclosure, please call 305- 670-4180.

#### *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?

## ACP Securities, LLC and ACP Capital Management, LLC

### Exhibit to Form CRS – June 2022

ACP Securities, LLC “ACPS” and ACP Capital Management, LLC “ACPCM,” often collectively referred to as “ACP” are required to update Form CRS when information in the Form CRS becomes materially inaccurate. This Exhibit summarizes the following material changes to ACP’s Form combined Form CRS, implemented June 2022.

## ACPS

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

- **Offered Services:** This section was amended to clarify that ACPS does not have discretionary authority over your brokerage account, and the client makes the ultimate decision regarding purchase or sale of investments
- **Recommendations:** This section was amended to include a description pertaining to instances where ACPS makes recommendations. When ACPS makes recommendations, such recommendations are not solely provided with respect to proprietary products or a limited menu of products or types of investments. ACPS does not have any material limitations on the type of products it can recommend
- **Account Monitoring:** This section was amended to indicate that ACPS does not offer account monitoring services. However, from time to time, ACPS voluntarily reviews clients’ accounts to determine whether our recommendation continues to be in clients’ best interest
- **Account Minimum:** This section was amended to clarify that although ACPS targets account minimums of \$500,000, we may reduce or waive this minimum in some circumstances

### What fees will I pay?

- **Description of Principal Fees and Costs:** This section was amended to include that ACPS will mark up the price when we sell you a security, and ACPS will mark down the price when we buy a security from you

## ACPCM

### What fees will I pay?

- **Description of Principal Fees and Costs**
  - This section was amended to clarify that fee rates provided for Traditional Investment Portfolios and Fixed Income Accounts are *annualized*
  - This section was also amended to include a description (in plain English) of how and when performance and management fees are paid. Performance-based fees are payable annually, during the first quarter of any given year based on the preceding year’s account performance, while management fees are based on assets under management on the last day of the quarter and deducted or billed on a quarterly basis on the month following the previous quarter. Fee amounts will be prorated based on inception or termination date of respective accounts