

# MCLAUGHLIN RYDER INVESTMENTS, INC

## FIRM INTRODUCTION

McLaughlin Ryder Investments, Inc., (referred to here as “McLaughlin Ryder” or “MRI”), is providing this *Customer Relationship Summary* as part of Regulation Best Interest. Our firm makes recommendations under Regulation Best Interest and is providing this document to give you more information about our relationship with you, as a client. Throughout this summary we have called out some “conversation starters,” which you may wish to discuss with us as you get to know us better. We have identified these items as bullet points throughout this summary.

McLaughlin Ryder believes that communication and transparency are the foundation of its relationship with clients, and will always strive to provide you with complete and accurate information. McLaughlin Ryder encourages all current and prospective clients to read this Relationship Summary and discuss any questions you may have with your Financial Professional.

McLaughlin Ryder is a dually registered firm, which means that we are both an Investment Advisor, registered with the Securities Exchange Commission (SEC), and a Broker-Dealer, registered with the SEC. MRI is also a member of the Financial Industry Regulatory Authority (FINRA). Detailed information about McLaughlin Ryder can be found on public websites including [www.finra.org](http://www.finra.org). **Brokerage and Investment Advisory services and fees differ; 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.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Depending on your needs and investment objectives, we can provide you with services in a brokerage account, investment advisory account, or both, at the same time. This document gives you a summary of the types of services we provide, and how you pay. At any time, please feel free to ask us for more information. MRI provides brokerage, financial planning, and advisory services to Individuals, High-Net-Worth and Ultra-High-Net-Worth Individuals, Families, Trusts, Estates, Charitable Organizations, Institutional Clients, Corporations, and Retirement Plans.

<b>Broker-Dealer Services</b>	<b>Investment Adviser Services</b>
<b>Types of Relationships and Services.</b> <i>Our accounts and services fall into two categories.</i>	
We offer traditional brokerage services where we provide individualized <b>recommendations</b> for you, which are discussed with you, prior to transacting any purchase or sale. We do not provide account monitoring services with a brokerage account.	We offer wealth management services through our Investment Advisory arm of our business, where we provide you with ongoing, professional <b>advice</b> and management of your portfolio. We will discuss your investment goals, together, design a strategy to achieve your investment goals, and regularly <b>monitor</b> your account. We will contact you (by phone or email), at least annually, to discuss your portfolio.
If you open a brokerage account, you will pay us a <b>transaction-based fee</b> ; generally referred to as a commission, every time you buy or sell an investment.	If you open an Advisory account, you will pay an <b>asset-based fee</b> for our Advisory services.
We have no account minimums for brokerage clients.	We have account minimums for Advisory clients enrolled in our wrap fee programs, that range from \$10,000 to \$250,000.
We do not take custody of your assets (money, securities). Instead, we have engaged Pershing to provide third-party clearing and custody services, for our brokerage customers.	We do not take custody of your assets (money, securities) and instead have engaged Pershing to provide third-party clearing and custody services for our Advisory clients.
We offer <b>non-discretionary</b> broker-dealer (brokerage) services, which means that we help guide you towards investments that are suitable to your financial needs and circumstances. You may select investments, or we may make recommendations on investments for your account, but the ultimate investment decision for your investment strategy, and the purchase or sale of investments, will be yours. <b>Non-discretionary</b> brokerage services means that you are the	You can choose an account that allows us to buy and sell investments in your <b>Advisory</b> account. Without asking you in advance (a “ <b>discretionary account</b> ”), or we may give you <b>advice</b> and you decide what investments to buy and sell (a “ <b>non-discretionary account</b> ”), as discussed in our Firm Brochure. By granting <b>discretionary</b> authority to MRI, you are authorizing us to purchase and sell transactions within your investment management account, as deemed appropriate by MRI, without your prior authorization. <b>Non-</b>

decision-maker on your brokerage account; purchase and sale transactions will only occur when you authorize them.	<b>discretionary</b> advisory services means that you are the decisionmaker on your advisory account; purchase and sale transactions will only occur when you authorize them.
The investment products utilized within our brokerage services include one or more of the following: common and preferred stocks; fixed income offerings including corporate, government and municipal securities; mutual funds; exchange traded funds; and cash and cash-alternatives, including money market funds, certificates of deposit, and bank deposit accounts.	The investment products utilized within our investment strategies include one or more of the following: common and preferred stocks; fixed income offerings including corporate, government and municipal securities; mutual funds; exchange traded funds; and cash and cash-alternatives, including money market funds and bank deposit accounts.
This is a transactional, commission-based relationship that differs from the fee-based, managed portfolios, and planning services that we offer through our Advisory platform; it is more limited in scope of services provided.	We also offer customized financial planning, which may include budgeting, cash flow and asset/liability assessments, retirement planning, and more. Financial planning services are provided for non-Advisory clients on an hourly or flat fee engagement.

**There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. All of our services are designed to take into account your investment objectives, your risk tolerance, your time horizon, and other financial decisions important to you.**

**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?***

**For additional information** on our services please reference our Reg BI Disclosure, Form ADV Part 2A Brochure, Wrap Fee Program Brochure, the account documents that were provided to you, upon opening your account, and/or our website: [www.mclaughlinryder.com](http://www.mclaughlinryder.com).

## **WHAT FEES WILL I PAY?**

**Management Fees** (or Advisory fees): these are *asset-based fees* charged by McLaughlin Ryder associated, with the day-to-day responsibilities of monitoring and managing your **advisory services account**. Our fees range from 0.75% to 2.50% annualized, charged quarterly in advance, based on the prior period's ending balance of your managed assets. The specific fee rate applicable to your account, is based on the amount and composition of assets, the investment strategy chosen, the financial services required, and is agreed upon and fully disclosed in your *Investment Advisory Agreement*.

Our management fee covers the following: implementing your chosen investment strategy, ongoing monitoring of your assets, assessing relevant economic and financial metrics, that may affect your portfolio, and decision-making associated with purchases and sales of holdings in your portfolio. It includes financial planning, and additional wealth management services provided by our Financial Professionals, and account service activities provided by our Client Service staff. Additionally, it includes all account reviews, account reporting, and written commentaries, updates, and consultations with our Financial Professionals or Investment Managers, and coordination or consultations with your attorney, accountant, or other related professional services.

**Transaction Charges:** These are the costs incurred upon the purchase or sale of holdings in your **brokerage services account** with McLaughlin Ryder. Charges vary based on two variables. First, they relate to the specific class of assets bought or sold (stock, bond, mutual fund, etc.), the unit size (# shares), and aggregate value of the position. Second, the costs may differ based on the *custodian* of your account, whether they are charged to you directly by the custodian, the office you are serviced out of, or charged to our broker-dealer for processing the transaction on your behalf, in which case, we pass on that charge to you with any adjustments for our internal costs. The custodian we use is Pershing. We make our best efforts to negotiate the lowest charges possible, and that commensurate with the quality of custodial services and resources they provide. While some of these charges are variable with the size of transaction, the majority fall in the range of \$0 - \$40 per transaction.

**Commission Charges:** Commissions represent the compensation we receive, if acting as your "broker" when providing investment recommendations in a **brokerage services account**, and we subsequently buy or sell securities on your behalf, based on recommendations we have made to you, or unsolicited transactions you have instructed us to make. These

commission charges are made through our broker-dealer arm. The commission on each transaction depends on the asset bought or sold (stock, bond, mutual fund, etc.), the unit size (# shares), maturity date, credit quality, and aggregate value of the position. For brokerage services accounts, in accord with regulatory guidance commission charges, will never exceed 5% of an individual transaction, subject to a minimum commission of \$50 per transaction.

**Additional Fund-Related Charges:** In the case of purchasing so-called “load” mutual funds or variable annuities **in a brokerage services account**, we receive compensation (commissions) directly from the fund company. This typically ranges from less than 1.00%, up to 5.75%, depending on the size of the purchase, and the compensation schedule of the fund company. In general, the larger the purchase, the lower the charge on a percentage basis. These commission charges are included in the share “offering” price of the fund when purchased; the “net asset value” – or NAV – of the fund, represents the true liquidating market value of the mutual fund, and the difference between the offering price and the NAV, at the time of purchase, is representative of the fees charged. As compensation for providing ongoing information and services to you, as it relates to your investment in that fund, fund companies pay our broker-dealer a servicing fee, sometimes referred to as a “trail” or 12b1 fee. This is commonly 1/4 of 1% per year, or 25bp (basis points). This equates to \$25 per year for \$10,000 of investment market value.

**Other Costs. Investment Product Costs:** Some investment holdings in your accounts, typically “pooled” investments, such as mutual funds, exchange traded funds, or variable annuities, contain embedded expenses related to management and operational costs of the fund itself. These costs are deducted from the assets of the fund, by the fund company/sponsor, and retained by that company. This means that the net returns of the fund are reduced by the amount of those fees. None of these product costs are levied or received by McLaughlin Ryder. We assess the impact of fund costs against the attributes of a fund before purchasing it for your account.

**Incidental costs:** For certain non-trade related transactions, such as wire transfers, you will incur additional charges. These are charged by the custodian of your account and detailed in your account opening documentation and/or Service Agreement with the custodian.

**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.**

**CONVERSATION STARTER.** 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?**

**For additional information** on our services, please reference our Reg BI Disclosure, Form ADV Part 2A Brochure, Wrap Fee Program Brochure, the account documents that were provided to you upon opening your account, and/or our website [www.mclaughlinryder.com](http://www.mclaughlinryder.com)

**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:

<b>Broker-Dealer Services</b>	<b>Investment Adviser Services</b>
Our interests can conflict with your interests at times. When we provide <b>recommendations</b> , we must disclose these conflicts to you; and, when possible, work to either mitigate or eliminate those conflicts of interest.	Our interests can conflict with your interests at times. When we provide <b>advice</b> , we must disclose these conflicts to you; and, when possible, work to either mitigate or eliminate those conflicts of interest.
Trades directed by our advisory arm, through our brokerage arm, could be deemed to create a potential conflict of interest. McLaughlin Ryder's Advisory personnel, however, always endeavor to put the interest of their clients first, as part of our fiduciary duty as registered investment advisers. On advisory accounts, directed brokerage transaction expenses are absorbed by MRI, and not charged against your client account.	

The custodians of our client accounts offer sweep accounts, in which the excess cash balances of your securities account are swept into an interest paying account, daily. Our default position is for the client to select the bank deposit sweep account option because it offers the greatest flexibility to quickly access cash reserves for the purchase of securities or withdrawal of funds to the client. Since MRI acts as the designated broker-dealer for customer/client accounts held at Pershing, customers/clients should be aware that McLaughlin Ryder holds sweep account revenue sharing agreements with Pershing, and therefore, has a conflict of interest.

From time to time, we, and/or our Financial Professionals, may hold events for our clients and/or employees. Portions of these events may be subsidized by external vendors, such as mutual fund and insurance companies, in the form of cash or non-cash compensation. Therefore, Financial Professionals may have a financial incentive to recommend the products and services from these external vendors and include their products in the programs we offer.

MRI and its financial professionals are licensed to sell insurance products to you through a brokerage services account. MRI may recommend to clients, products or services provided through its affiliation with one or more insurance providers. To address this conflict, in the event that any insurance products are recommended, MRI advises that the client is under no obligation to purchase the insurance product through MRI. MRI receives compensation for sales of such insurance products transacted, which is in addition to the fees mentioned above.

McLaughlin Ryder is under common control and ownership with Union Street Partners, LLC, an investment company, registered under the Investment Company Act of 1940. Union Street Partners, owns, and acts as sole investment adviser to the Union Street Value Fund. You should be aware that the receipt of additional compensation by McLaughlin Ryder and its management persons or employees, creates a conflict of interest. McLaughlin Ryder endeavors, at all times, to put the interest of its clients first, as part of our fiduciary duty, as a registered investment adviser.

**CONVERSATION STARTER.** Ask your financial professional:

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

**For additional information** on our services, please reference our Reg BI Disclosure, Form ADV Part 2A Brochure, Wrap Fee Program Brochure, the account documents that were provided to you, upon opening your account, and/or our website [www.mclaughlinryder.com](http://www.mclaughlinryder.com)

## **HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

Our brokerage registered representatives are compensated by a salary or draw plus commissions, and our investment advisers are compensated by receiving a fee, based on assets under management.

To eliminate potential conflict, McLaughlin Ryder does not use a performance-based fee structure.

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

No, the firm and its financial professionals have not been involved in any legal or disciplinary events.

**CONVERSATION STARTER.** Ask your financial professional:

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

**For additional information** visit: [Investor.gov/CRS](http://Investor.gov/CRS), for a free and simple search tool to research us and our financial professionals or [Brokercheck.finra.org](http://Brokercheck.finra.org).

## **ADDITIONAL INFORMATION**

For additional and up-to-date information about our services, or to request a copy of this Relationship Summary, please contact our firm at: (703) 684-9222 or visit our website at: [www.mclaughlinryder.com](http://www.mclaughlinryder.com).

**CONVERSATION STARTER.** 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?***