

### INTRODUCTION

Northland Securities, Inc. "Northland" is a Broker-Dealer (BD), Member FINRA/SIPC, registered with SEC and MSRB, and a duly Registered Investment Adviser (RIA) doing business as Northland Asset Management. Northland Securities, Inc., is a subsidiary of Northland Capital Holdings, Inc. First National of Nebraska, Inc. "FNNI", is the parent company of Northland Capital Holdings, Inc., First National Capital Markets "FNCM", and First National Bank of Omaha.

This document serves as our communication of our best interest standards and to provide an overview of the products and services we provide under such arrangement. Free and simple tools and resources are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about Broker-Dealers, Investment Advisers, and investing.

### RELATIONSHIPS AND SERVICES

Northland offers both broker dealer and investment advisory services to retail investors. However, not all of our Financial Representatives offer all of the products and services offered by Northland. This relationship summary discusses broker dealer specific services, costs, and standards of conduct. We recommend discussing with your representative to understand the specific investment products and services they can provide.

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

- We offer a wide selection of investments, including our own proprietary bonds and new issue equities that are only available at our firm.
- When you have a brokerage account with us, you will pay a transaction-based fee (commission or sales credit) for every investment product you buy or sell. We encourage you to meet regularly with Financial Representative to review your individual situation, financial goals, risk tolerance, and liquidity needs. While we remain available to assist, you are ultimately responsible for reviewing and monitoring your brokerage account to determine whether your investment objective, strategy and asset allocation continue to be right for, and making the decision about whether to buy, sell or continue to hold an investment.
- You may select investments on your own or we may recommend investments for your account, but the investment decision remains yours.
- Northland does not require you to maintain a minimum account size.
- Northland will send paper or electronic statements, delivered on a monthly or quarterly basis depending on the trading activity in your account.

#### **Conversation Starters. Ask your financial representative:**

*Given my financial situation, should I choose a brokerage service? Why or why not?" How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education, and qualifications? What do the qualifications mean?*

### FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

#### **What fees will I pay?**

- Fees and costs play an important role in determining the value of your investment account over time. Understanding the fees and costs associated with your investment account is crucial. If you have any questions about the fees and costs that you will be paying, don't hesitate to ask your Financial Representative.
- With a transaction-based account, fees charged are based on the size and type of transactions, Financial Representative, the product sponsor or family, length of investment, and processing method. For example, a commission is usually charged for stock or exchange-traded funds, while mark-ups, mark-downs, or sales credits are included in the purchase or sale price for other investments such as bonds. Mutual funds may have an up-front sales charge or load that reduces the value of your investment.
- The more transactions in your account, the more fees you pay.
- There may also be additional fees associated with certain investments, such as mutual funds and annuities. Mutual funds charge internal management fees and expenses, servicing fees or surrender charges. When you purchase an annuity product from a Financial Representative, their compensation is received indirectly. These commissions are incorporated into the product costs and paid to Northland by the product company. In the case of variable products that involve sub accounts that invest in underlying funds, they have their own ongoing fees and expenses. As the purchaser of the insurance product, you will be responsible for bearing these fees and expenses. It is important to note that fees associated with annuities can impact the value of your investment over time, as they reduce its overall value.
- Our fees vary and some are negotiable. The amount you pay will depend on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us.
- We charge you additional fees, such as custodian fees, account maintenance fees, and account inactivity fees.
- Northland charges a minimum \$100.00 commission or sales credit per transaction, provided that this amount does not exceed the value of the transaction itself.
- Although a transaction-based account may seem less expensive than an asset-based account, this is only the case if you are pursuing a buy-and-hold strategy and not frequently trading. If you engage in frequent trading, the costs of a transaction-based account may add up quickly, potentially making an asset-based account a more cost-effective choice.

**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.**

Please review the [Northland Client Fee Schedule](https://www.northlandsecurities.com/policies-disclosures/), located with the important disclosure and regulatory information on the “Policies and Disclosures” page of the Northland Securities website at: <https://www.northlandsecurities.com/policies-disclosures/>.

**Conversation Starter. Ask your financial representative:**

*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?*

**What are your legal obligations to me when providing recommendations as my Broker-Dealer? How else does your firm make money, and what conflicts of interest do you have?**

We must act in your best interest and not place our interests ahead of yours. We must treat you fairly and comply with industry rules and regulations. At the same time, the way we make money creates conflicts with your interests. You should understand what those conflicts are and what they mean to you and how they can affect the recommendations we provide to you. At Northland, we take conflicts of interest seriously. We strive to ensure that we disclose all material information relating to the scope and terms of the relationship with investors, and that the type of services offered to investors are in their best interest.

- Northland and your Financial Representative received compensation depending on the security type you buy or sell. Commissions are generally higher on investments such as mutual funds, variable annuities, and fixed index annuities. These types of investments are often complex and offered by companies that pay our firm to sell their products. Commissions are generally lower on individual stocks and bonds. Your Financial Representative's compensation is based on a percentage of the commissions paid by their clients and that percentage will increase as more commissions are generated. Therefore, we have an incentive to encourage you to engage in transactions.
- Our Financial Representatives take part in product-sponsored training programs and the associated companies cover the expenses incurred by our representatives to attend. This is referred to as non-cash compensation. The compensation and benefits that we receive serve as an incentive to favor investment products and their sponsors that provide the highest level of compensation or benefits.
- As an introducing Broker-Dealer, we utilize a single clearing/custodial firm-Pershing LLC. We have revenue-sharing arrangements with Pershing, which means we may not offer you the lowest custodial clearing costs that could be available to you at another firm.
- Northland is an affiliate of First National Capital Markets (“FNCM”). Both Northland and FNCM underwrite fixed income securities, additionally Northland underwrites equity securities; these are called proprietary products. Northland, FNCM and their respective Financial Representatives are incentivized to recommend these products. These products may have higher commissions paid to the Financial Representative, as well as generate additional revenues for Northland, FNCM and FNMI. Furthermore, compensation to Northland, its affiliates, and the Financial Representatives are often contingent on the closing and the success of the underwritten securities offerings.
- Northland acts as principal in certain transactions, meaning it buys investments from you or sells investments to you from its own firm inventory accounts. We can earn a profit on these trades, so we have an incentive to recommend transactions in which Northland acts as principal.
- Northland offers referral fees to our employees for introducing new corporate clients to our banking groups. This fee is paid if the deal is completed by Northland or if Northland participates in the deal.

**Conversation Starter. Ask your financial representative:**

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

**How do your Financial Representatives make money?**

Financial Representatives are employees of Northland and receive compensation based on a percentage of their over-all production. This production primarily consists of transaction-based commissions paid by Northland clients. The higher the production amount, the greater the percentage paid to the Financial Representative. As a result, they may be incentivized to recommend securities with higher commissions, sales charges, markups/markdowns, sales credits and trail fees, as well as to suggest more frequent trades for brokerage accounts. Additionally, they may encourage clients to transfer accounts to Northland or add more funds to existing accounts. Northland Financial Representatives generally receive a recruitment bonus or special compensation in the form of an accelerated payout or a forgivable note from us when they join us from another firm. Primarily that compensation will be based on the historical production at their previous firm. This compensation provides incentive for representatives to recommend clients leave their prior firm to join Northland.

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

Yes. Northland and certain of its Financial Representatives have legal and / or disciplinary history; view details at [BrokerCheck.Finra.org](https://www.brokercheck.finra.org). Visit [Investor.gov](https://www.investor.gov) (<https://www.investor.gov/>) for simple search tools to research our firm and our Financial Representatives.

**Conversation Starters. Ask your financial representative:**

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

**ADDITIONAL INFORMATION**

Also please review the [Northland Regulation Best Interest Disclosure Document](https://www.northlandsecurities.com/policies-disclosures/#regbi-disclosure-doc), found at: <https://www.northlandsecurities.com/policies-disclosures/#regbi-disclosure-doc>. Investor resources and tools are available at the SEC's Office of Investor Education and Advocacy website [Investor.gov](https://www.investor.gov), which provides educational materials about Broker-Dealers, Investment Advisers, and investing.

**Conversation Starters. Ask your financial representative:**

*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?*