

**FORM CRS CUSTOMER RELATIONSHIP SUMMARY FOR DUAL REGISTRANTS**  
**WESTERN GROWERS FINANCIAL SERVICES, INC. RELATIONSHIP SUMMARY DISCLOSURE**  
**JUNE 30, 2020**

**ITEM 1. INTRODUCTION**

Western Growers Financial Services, Inc. is registered with the Financial Industry Regulatory Authority as both a broker-dealer and an investment adviser. Our brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

We will soon be making this Form CRS available on our public website ("CRS Disclosure") at <https://wgfs.net/> in the Disclosure section. Please see this website or call us (888-737-8483 for additional information about our services, fees, costs, conflicts of interest, and other information.

**ITEM 2. RELATIONSHIP AND SERVICES: WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?**

**Broker-Dealer Services**

As a broker-dealer, we can recommend and effect securities transactions for you, including buying and selling securities (including investment funds and investment products) that generally will be held in accounts with Pershing, LLC, our clearing firm ("brokerage accounts"). We also offer IRA accounts, where your investments will be held with the custodian of the IRA (Pershing LLC). In addition, our brokerage accounts offer a selection of money market funds insured by the Federal Deposit Insurance Corporation (a "cash sweep vehicle"). More information about our broker-dealer services is available on our website [Western Growers Financial Services](#) in the Disclosure section.

- **Account Monitoring:** After effecting a securities transaction for you (including those we recommend to you), we monitor your account and review your statements.
- **Investment Authority:** We do not have discretionary investment authority, which means that we cannot buy or sell investments in your account without first obtaining your consent. We may recommend investments to you, but you are responsible for making the decision whether to purchase or sell investments.
- **Limits on Investment Offerings:** We do not limit our investment offerings to a specific proprietary menu of investment funds or products. Our investment offerings include a wide variety of investment funds and investment products, and as part of those offerings, we offer investments such as mutual funds. Not all of our financial professionals can offer the full range of broker-dealer investments and services we offer.
- **Account Minimums and Other Requirements:** We do not have any minimum account requirements for our brokerage accounts, but some of the investments you can purchase through us have minimum investment requirements.

**Investment Advisory Services**

As an investment adviser, we provide investment advice to you for a fee, including investment advice with respect to particular investments, financial planning and education. More information about our investment advisory services is available on our Form ADV Part 2A brochure, which will be available soon on our website [Western Growers Financial Services](#), currently we will email or mail you a copy, call us at (888) 737-8483.

- **Account Monitoring:** Monitoring is provided on an ongoing basis, but the frequency and limitations of this account monitoring depend on the advisory that you select and on your financial needs. We do not monitor any other accounts (besides your advisory account) as part of our advisory services.
- **Investment Authority:** You may choose a non-discretionary arrangement in which we provide you with investment advice and you decide whether to accept or reject the advice, or you can grant us authority to buy and sell securities in your advisory account (consistent with your investment objectives and with restrictions you place on this authority that we agree to) without asking for your consent in advance (also known as discretion).
- **Limits on Investment Advice:** We do not limit our investment advice; we offer a broad menu of securities. Not all of our financial professionals can offer our investment advisory services.
- **Account Minimums/Other Requirements:** WGFS has no account minimums.
- **Financial Planning:** Individual and business financial planning involves a variety of services, principally advisory in nature, regarding the management of financial resources based upon client needs and objectives. Analyses and recommendations will be based on information submitted by you, personal interviews with you, economic and tax considerations, and your personal circumstances. We do not provide legal advice or document preparation as part of financial or business planning services, nor do any of the fees charged for financial or business planning services constitute a fee charged for the placement of insurance.

**ADDITIONAL INFORMATION:** For more detailed information about our services, please reference our website [Western Growers Financial Services](#).

**CONVERSATION STARTER:** 1. 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? 2. How will you choose investments to recommend to me? 3. What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

**ITEM 3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT**

**What fees will I pay?**

**Broker-Dealer Services:**

**Description of Principal Fees and Costs:** For our broker-dealer services, we are paid each time you trade in your brokerage account or make a new investment. This payment is typically called a "commission," but it may also be called a "sales charge" or a "markup." This kind of payment presents

a conflict for us because it creates an incentive to encourage you to trade more and make additional investments. The commission rate or amount varies, depending on the investment and the size or amount of the transaction. More information about commission payments, is available by calling us at (888) 737-8483. In addition, investments that are interests in investment funds, such as mutual funds and UITs, or products, such as 529 plans and insurance products, bear ongoing fees and expenses, which you pay indirectly because they are factored into the cost of the investment. Below is information about the fees and costs you will typically pay or bear for the types of investments generally purchased or traded by our retail investors.

#### **Investments**

- **Equities:** You will typically pay a commission every time you buy or sell an equity, such as a stock of a publicly traded company. More information about commission payments is available by calling us at (888) 737-8483.
- **Bonds:** You will typically pay a markup (or commission) every time you buy or sell a bond, such as a corporate, government, or municipal bond. More information about bond markup payments is available by calling us at (888) 737-8483.

#### **Investment Funds**

- **Mutual Funds:** You will typically pay an up-front sales charge or load when you buy shares in a mutual fund. Mutual funds typically also deduct other ongoing fees and expenses, such as 12b-1 fees, management fees, or servicing fees, from fund assets. More information about these mutual fund fees and expenses is available by calling us at (888) 737-8483.
- **Closed-End Funds:** You will typically pay a sales charge when you buy shares in a closed-end fund's initial offering, or a commission if you buy and sell shares in a closed-end fund in a secondary trading market. Closed-end funds also deduct other ongoing fees and expenses, such as management fees, from fund assets. More information about closed-end fund fees and costs is available by calling us at (888) 737-8483.
- **ETFs:** You will typically pay a commission every time you buy or sell shares in an ETF. ETFs also deduct other fees and expenses, such as management fees, from ETF assets. More information about these ETF fees and costs is available by calling us at (888) 737-8483.
- **Unit Investment Trusts ("UITs"):** You will typically pay a sales charge when you buy shares in a UIT's initial offering, or a commission when you buy or sell shares in a UIT in a secondary trading market. UITs also deduct other fees and expenses from fund assets, such as operating costs. More information about UIT fees and costs is available by calling us at (888) 737-8483.
- **Real Estate Investment Trusts ("REITs"):** You will typically pay a commission when you buy shares in a REIT's initial offering, or buy or sell shares in a REIT in a secondary trading market. REITs also deduct other fees and expenses from REIT assets. More information about REIT fees and costs is available by calling us at (888) 737-8483.

#### **Investment Products**

- **529 Plans/College Savings Plans ("529 Plans"):** You may pay an up-front sales load when you purchase a 529 plan and may also pay other fees at the time of purchase. 529 plans typically also deduct other ongoing fees and expenses, including account maintenance fees and management fees, including for underlying investments. More information about 529 plan fees and costs is available by calling us at (888) 737-8483.
- **Insurance Products:** When you purchase an insurance product like a variable annuity or life insurance policy, you will indirectly pay a commission, which is factored into the cost of the insurance and is paid by the issuing insurance company to us. More information about these insurance commissions and other fees and expenses built into the cost of the insurance is available by calling us at (888) 737-8483.

**Description of Other Fees and Costs:** In addition to the foregoing investment fees, you will typically pay, and we will receive a portion of, certain fees associated with your brokerage account, including fees paid to the clearing firm or account custodian, as well as fees for certain services that you select, such as wire transfers or margin, and a termination or transfer fee when your brokerage account is terminated or transferred to another broker-dealer.

#### **Investment Advisory Services**

**Description of Principal Fees and Costs:** For our investment advisory services, we are paid based on a percentage of the assets for which we provide investment advice in your advisory account, typically referred to as an "advisory fee," which is generally charged quarterly, presents a conflict because it creates an incentive for us to encourage you to increase the assets in your advisory account, as the more assets there are in your advisory account, the more you will pay us in advisory fees. In addition, depending on the advisory program, we may receive more compensation when our financial professionals provide advisory services than when they provide broker-dealer services, which creates an incentive for us to recommend an advisory account. More information about these advisory fees is available in our ADV 2A client disclosure brochure, available by calling us at (888) 737-8483 or soon to be available on our website [Western Growers Financial Services](#). In addition to these advisory fees, the following are the other fees and charges you will typically pay in connection with your advisory account.

- **Commissions and Markups/Markdowns:** You will typically pay a transaction fee in the form of commissions or markups/ markdowns, to buy and sell investments. We receive a portion of these transaction fees in our capacity as a broker-dealer on securities transactions arising with respect to our investment advisory accounts, which presents a conflict because it creates an incentive for us to encourage you to trade more. It also creates an incentive for us to recommend investment advisory programs that we sponsor as compared to investment advisory programs that are sponsored by third parties. More information about these transaction fees is available by calling us at (888) 737-8483.
- **Fees Related to Specific Investments:** You will typically pay fees related to certain investments in your account as detailed in the applicable prospectus. Western Growers Financial Services receives a portion of these investment fees when you invest in these certain investments, which presents a conflict because it creates an incentive to encourage you to purchase investments that pay these fees. More information about these fees, including the operating expenses for such mutual funds, ETFs, and other pooled investment vehicles, and about redemption fees is available by calling (888) 737-8483.
- **Financial Planning Fees:** Individual financial planning services are generally provided in exchange for an hourly fee not to exceed \$500 per hour or a fixed fee. In each case, fees are negotiable, and they may vary from client to client based upon the complexity of the client's financial position as well as the client's financial objectives.

**Description of Other Fees and Costs:** In addition to the fees described above, you may pay, and we may receive a portion of, certain fees associated with your advisory account, such as account opening fees, account termination fees, and account transfer or liquidation fees, depending on the advisory program, which include fees paid to the clearing firm or account custodian for their services.

***ADDITIONAL INFORMATION: 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 more detailed information about our fees and costs, please reference our CRS site.***

**CONVERSATION STARTER:** 1. 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?

**B. 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 to you. Western Growers Financial Services has policies and procedures in place to mitigate the influence of these conflicts. Here are some examples to help you understand what this means.

#### **Broker-Dealer Examples**

Because we are paid each time you trade in your account or make a new investment, we have an incentive to encourage you to trade more and make additional investments. These transaction-based payments, or commissions, create a conflict of interest for us because of the incentives to encourage more trading and additional investments. Here are additional examples of incentives created by some of the payments we receive.

- **Proprietary Investments.**

We offer life insurance products issued by the insurance company of your choice and mutual funds. These proprietary investments create a conflict for us because we also receive fees and compensation when you purchase a product they issue, sponsor or manage.

- **Third-Party Payments.** When we sell an investment fund or product to you as a broker-dealer, we receive payments from the issuer (such as a mutual fund or insurance company) and their sponsors or managers, and we may also receive ongoing payments, such as 12b-1 fees, from them. These payments create an incentive for us to sell you investments that entail such payments and to maintain our relationships with the issuer and their affiliates. Since the amount of compensation we receive varies among and between the issuers and the different investments and types of investments that we offer as a broker-dealer, we have an incentive to sell you those investments that pay us more compensation.

- **Revenue Sharing.** In addition to the third-party payments discussed above, many issuers and fund sponsors or managers make payments to us that are sometimes called “revenue sharing” payments because they share with us a part of the revenue that they earn on your investments in their funds or products. These payments are an incentive for us to offer or continue offering investments and services that entail such payments and to encourage you to increase the amount of assets in those investments. Our clearing firm also shares some of the fees and revenues it earns on assets in your brokerage accounts, including account assets in a cash sweep vehicle.

#### **Investment Advisory Examples**

Since we are paid based on the assets in your advisory account, the more assets there are in your account, the more you will pay in fees, so we have an incentive to encourage you to increase the assets in your advisory account. In the case of wrap programs, we retain a greater portion of the program fee if we minimize the trades or trading costs in the wrap program, so we have a conflict because wrap programs encourage us to minimize trading costs in order to retain a higher portion of the wrap fee. Here are additional examples of incentives created by certain payments we receive.

- **Proprietary Programs.** We may recommend advisory programs that we sponsor, including programs investing in funds managed by our affiliates. These proprietary programs create a conflict for us because (1) we receive fees and compensation based on your advisory program assets if we recommend securities issued, sponsored or managed by our affiliates for the investment of your program assets, and (2) a proprietary program assets, and (2) a proprietary program is more profitable to us than programs sponsored by unaffiliated firms.

- **Third-Party Payments.** When we select or recommend mutual funds as the investments for your advisory account, we receive 12b-1 fees or servicing fees from some of the funds (in our capacity as a broker-dealer). In some cases, we credit these fees to your account. In some cases, we keep these fees, and they create an incentive for us to select or recommend those programs for your advisory account and to encourage you to increase the amount of assets in your advisory account.

- **Revenue Sharing.** In addition to the third-party payments discussed above, some of the investment managers and other service providers, such as clearing firms, for our advisory programs share a part of the revenue with us in our capacity as a broker-dealer in connection with your advisory account assets, including assets in a cash sweep vehicle. These payments create an incentive for us to select or recommend those investment managers and service providers for your advisory account assets and to encourage you to increase the amount of assets in your account. More information about these revenue sharing payments is available in our Client Disclosure Brochures and our Strategic Partners Program web page, accessible through our CRS site.

***ADDITIONAL INFORMATION: For more detailed information about our conflicts of interest please call us at (888) 737-8483.***

**CONVERSATION STARTER:** 1. How might your conflicts of interest affect me, and how will you address them?

### C. How do your financial professionals make money?

We pay our financial professionals and their supervisors a portion of the commissions or investment advisory fees that we receive. As noted above, the commissions we receive generally vary based on the investments purchased and sold, and the advisory fees we receive generally vary based on the investment advisory program selected. The portion of the commissions or fees we pay to the financial professional also varies among financial professionals depending on the financial professionals' performance. This creates an incentive for our financial professionals to sell more investments as a registered representative of our broker-dealer and to increase advisory account assets as an associated person of our investment adviser to qualify for a higher portion of commissions and investment advisory fees the following year.

#### ITEM 4. DISCIPLINARY HISTORY: Do you or your financial professionals have legal or disciplinary history?

Yes, we have a legal and disciplinary history, and some of our financial professionals may also have a legal and disciplinary history. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

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

#### ITEM 5. ADDITIONAL INFORMATION

For additional information about our broker-dealer services, and our investment advisory services, please visit our website [Western Growers Financial Services](http://WesternGrowersFinancialServices.com). You can request a copy of this Form CRS Customer Relationship Summary by contacting us in writing at 15525 Sand Canyon, Irvine, CA 92618. You can also call us at 1-888-737-8483 to request up-to-date information and request a copy of this Form CRS Customer Relationship Summary.

**CONVERSATION STARTER:** *1. Who is my primary contact person? 2. Is he or she a representative of an investment adviser or a broker-dealer? 3. Who can I talk to if I have concerns about how this person is treating me?*