**Regulation Best Interest Disclosure**

On June 5, 2020, the Securities & Exchange Commission (SEC) adopted Reg BI under the Securities and Exchange Act of 1934. Reg BI establishes a “best interest” standard of conduct for broker-dealers and associated persons when they make a recommendation to a retail customer of any securities transaction or investment strategy involving securities, including recommendations of type of accounts.

As part of the rulemaking package, the SEC also adopted new rules and forms to require broker-dealers and investment advisers to provide a brief relationship summary, FORM CRS, to retail investors. The effective of this rule is June 30, 2020.

This guide summarizes important information concerning the scope and terms of the brokerage services World First Financial Services, Inc. (World) offers and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, we would like to remind you that we are registered with the U.S. Securities and Exchange Commission (SEC) as a broker dealer providing various brokerage services. Our brokerage services are the primary focus of this guide. Please review the Customer Relationship Summary (or Form CRS) available at www.worldfinancial.net. Our Form CRS contains important information about the types of services we offer along with general information related to compensation, conflicts of interest, disciplinary action and other reportable legal information.

Regulation BI Disclosures (Compliance Obligation):

Reg BI requires our firm prior to and at the time of the recommendation provide the client, in writing, either in the form of bonified research or educational materials, full and fair disclosure of:

* All material facts relating to the scope and terms of the relationship with the customer, and
* All material facts relating to conflicts of interest that are associated with the recommendation

Materials facts include that World is acting in the capacity of broker dealer or an associated person of the broker dealer with respect to the recommendation, material fees and costs that apply to the clients transactions, holdings and accounts and the type and scope of the services to be provided to the client including any material limitations on the securities or investment strategies, whether or not the firm monitors the account including the scope and frequency of any such monitoring and whether the firm has any minimum account size as to assets and commissions generated, and general basis for the investment strategy and risk for each recommendation made.

These disclosures should give a client sufficient information to enable them to make an informed decision with regard to the recommendation.

World maintains an active compliance department supervised by James C. DesLonde, CCO. All orders are reviewed on a daily basis. Our systems electronically identify if a security purchase or sale falls outside of the investment parameters of any client as it pertains to their investment objectives including risk and time horizon.

Reviews are conducted daily with the results of any minor occurrence retained by our email retention system for prior review or within the client’s firm file if an event is escalated to the CCO. All resolutions will be finalized to the benefit of the client, regardless of cause.

World requires that all associated persons must use diligence, care and skill to ensure that a securities recommendation is in the customer’s best interest. If the firm deems an investment after review that is not in the best interest of any specified client, the CCO will discuss this matter with the client directly and offer an immediate resolution including reversing that specific transaction. In addition, if an associated person initiates a pattern of continued recommendations that are not in the best interest of the client, the firm will apply restrictions including but not limited to a complete termination of employment if deemed appropriate.

Regulation BI Care Obligation:

World is required to exercise reasonable diligence, care and skill when making a recommendation to a client to”

Understand potential risks, rewards and cost associated with recommendations and have a reasonable basis to believe that the recommendation could be in the best interest of the client as it relates to the clients investment profile and does not place the interest of the firm ahead of the interest of the client and have a reasonable basis to believe that a series of recommendations, even if in the best interest of a client, is not excessive when taken together in light of the clients investment profile. Factors of care include:

* Investment objectives
* Characteristics of the investment including any special features
* Liquidity
* Volatility
* Likely performance in increasing and declining market conditions
* Anticipate return
* Any financial incentives received by the firm for the firm

Care objectives are defined but not limited to the clients:

* Age
* Other investments
* Current and anticipated future financial situation
* Tax status
* Investment objectives
* Investment experience
* Investment time horizon
* Liquidity needs
* Risk tolerance
* Any other information deemed pertinent

Care objectives would also cover recommendations that might occur as an excessive trading pattern or excessive concentration of one type of security as well as the review of potential alternatives to the recommendation. In addition, recommendation on the type of account that should be established including all IRS Code retirement accounts.

World maintains an active compliance department supervised by James C. DesLonde, CCO. All accounts are reviewed by the CCO at the beginning of every relationship. All orders are reviewed on a daily basis. Our systems electronically identify if a security purchase or sale falls outside of the investment parameters of any client as it pertains to their investment objectives including risk and time horizon.

Reviews are conducted daily with the results of any minor occurrence retained by our email retention system for prior review or within the client’s firm file if an event is escalated to the CCO. All resolutions will be finalized to the benefit of the client, regardless of cause.

World requires that all associated persons must use diligence, care and skill to ensure that a securities recommendation is in the customer’s best interest. If the firm deems an investment after review that is not in the best interest of any specified client, the CCO will discuss this matter with the client directly and offer an immediate resolution including reversing that specific transaction. In addition, if an associated person initiates a pattern of continued recommendations that are not in the best interest of the client, the firm will mitigate by applying restrictions including but not limited to a complete termination of employment if deemed appropriate.

Conflict of Interest Obligation:

World acknowledges that the conflict of interest obligation applies solely to the World broker dealer and not the associated person.

The firm through its daily order review process should be able to determine if a conflict occurs from an investment purchase or sale that might include a client and the firm. In each instance, if a price conflict is determined, the client will always receive the better print providing that security conflict occurred at minimum within a 2 hour time period. Any findings will be documented within the daily trade file for that specific day.

The firm through its daily order review process should be able to determine if a conflict occurs as a result of a purchase or sale of an investment that would create compensation to the associated person in excess of normal compensation guidelines. Any findings will be documented within the daily trade file for that specific day.

The firm through its daily order review process should be able to determine if a conflict occurs as a result of a purchase or sale of an investment that would be identifiable as a concentration whether within the client account or within the client base of the same associated person.

The firm does not participate in the accumulations of mutual fund company positions so breakpoints are normally identified to World by our clearing agent with an immediate notification to the client of such is applicable.

The firm does not offer proprietary products, does not participate in increased compensation through incremental increases in sales, offer no compensation incentives for firm recommended investments, does not offer sales contests or permit associated persons to participate in external company sales contests, sales quotas, bonuses on increased production or non- cash compensation payouts, does not approve of higher compensating products when viable alternative products are available with similar investment features, does not permit associated persons from offering investments from only a select group of issuers, and are not permitted to participate in any type of revenue sharing.

If an associated person initiates a pattern of continued recommendations that are not in the best interest of the client, the firm will mitigate by applying restrictions including but not limited to a complete termination of employment if deemed appropriate.

World is monitored under the Federal and Self-Regulatory Agencies as a municipal bond firm. That means that the majority of the business generated by World since its inception has been in municipal bonds. In the most low interest environment, the firm has participated in the solicitation of investment grade preferred stocks which in the opinion of the firm, the only true diversifying product hedging municipal bond portfolios.

Reg BI Training:

The firm will continually monitor its progress as it pertains to its obligations under Reg BI. The firm’s CCO, James C. DesLonde will be responsible for continued development, implementation and review of all Reg BI training. REG BI training will occur in the 12th month of every calendar year unless updates to the Rule occur prior to that training period of which training will occur within 30 days of same change. The training will be delivered via Zoom conference call with specified training documented as such. All associated persons will be required to attend. An attendance sheet will be delivered and require mandatory proof of attendance.

Reg BI Exceptions and Escalation

The firm is implementing a review process for exceptions and escalations. Any specific findings regarding of the size of the exception will be corrected by the firm’s CCO, James C DesLonde, contacting the client directly to discuss the exception. In all cases, the client will have the opportunity to have the transaction reversed back to its original form at no expenses to the client. All exceptions, regardless of size, will be escalated to the firm’s CCO.

If the client chooses to remain at their current level, the firm will request signed acknowledgement that the firm addressed each and every exception directly with the client. Documentation will be placed in the client folder which will be maintained as part of the firms books and records.

As it pertains to the occurrence that created the exception, if it is determined that an associated person initiated a pattern of continued recommendations that are not in the best interest of the client, the firm will mitigate by applying restrictions including but not limited to a complete termination of employment if deemed appropriate.

FORM CRS

On June 30, 2020, under federal regulation SEA Rule 17a-14, all registered broker dealers were required to create and distribute Form CRS, a Regulatory Relationship Summary, to all clients as it pertains to the specific details regarding certain activities and disclosures for that firm. This Form was mailed to all World clients in June 2020. This filing was required to be sent to our regulatory authority for public filing and was required to be posted visibly on our website, [www.worldfinancial.net](http://www.worldfinancial.net). The firm has an additional requirement of sending this form along with all other disclosures upon the opening of any new account. All new account opening “welcome packages” are delivery by our clearing agent, First Clearing Corporation. The firm will also mail this form annually every calendar year in June as well as make Form CRS available to all clients if any material changes occur that may affect our relationships with our clients. If a client is unable to review this form at any time, they may contact James C DesLonde at 212-584-4139 as one will be provided to you upon request.

In event of material changes to the regulations governing Form CRS or in the operating or financial status of World or its obligations under Regulation Best Interest, James C DesLonde/CCO will be responsible for processing the necessary updates for the form. Updates will be filed with the firm’s regulatory authority as soon as possible with an anticipated time frame of 36 hours not withstanding any delays due to the market environment or request for regulatory guidance. Once submitted for update, the firm will immediately process such update to the firm’s website at [www.worldfinancial.net](http://www.worldfinancial.net) with the time mark date of revision so noted on the update. This will include but not be limited to additions, deletions or changes to the requirements as stated under the regulation.

**FORM CRS (Relationship Summary) June 30, 2020 (Revised June 30, 2022)**

**Introduction**

World First Financial Services, Inc. (World) is a full service broker dealer registered with the U.S. Securities & Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), Municipal Securities Rulemaking Board (MSRB) and Securities Investor Protection Corporation (SIPC).

Form CRS provides information to help you make an informed decision about whether or not to transact business with us or not, and how. This document contains important information about our firm and will prepare you for conversations with our investment professionals.

Free and simple tools are available for you to research firms and financial professionals at Investor.gov/CRS, a website that is maintained by the SEC. These tools provide educational materials about broker-dealers, investment advisers and investing. Any link within this document that does not provide an expanded web address can be accessed by visiting [www.worldfinancial.net](http://www.worldfinancial.net). Or contacting James DesLonde at 212-584-4139.

“What investment services and advice can you provide me?”

World offers brokerage services to retail and institutional investors. Industry regulated brokerage services include access to all U.S. domestic equity, government bond, corporate bond and municipal bonds, options, mutual funds, Cd’s, variable annuities, new issue syndicate for state municipal securities and preferred stocks. Through its clearing agent, First Clearing LLC (FCC), various money market funds are available including an FDIC insured money market fund covered up to a maximum of $750,000 per account. World does not offer its own investment research, however, FCC offers research as a courtesy to World customers. World only offers cash and margin accounts. It does not offer investment advisory or discretionary managed accounts or account monitoring services.

Types of Accounts at World: Individual, Joint, Custodial, DVP (delivery vs payment), Estate, Trust, Corporate (including all type of corporations and LLC’s), Partnership, Individual Retirement and other types of retirement accounts outlined in our account agreement.

Recommendations of securities are predominantly in investment grade municipal securities and preferred stocks. Unlike the equity markets, industry municipal bonds are normally recommended on the following basis: Rating, yield, locality, coupon and maturity and are matched to a customer’s investment objectives and request for a recommendation. Additionally, review of a customer’s current holdings and the necessity for diversification are factors in determining if an investment is prudent for the customer. World make also make recommendations in equity securities, options, corporate bonds and other securities.

Account Minimums and Other Requirements: World has no restrictions from opening an account. It has no account size or investment amount requirements.

Questions to guide your conversations with us:

\* 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 other qualifications? \*What do these qualifications mean?

“What fees will I pay?”

Fees and costs affect the value of our account. In a brokerage account, the fees that you pay and/or compensation that World will earn is based on the specific transaction and not the value of your account. The amount of the transaction charge for a particular transaction depends on the nature of the transaction, type of securities or product that you buy or sell, how much you buy or sell and other market factors. These transaction-based fees are generally referred to as a commission, mark up, sales load, or a sales charge. Fees and costs will reduce any amount of money you make on our investments over time.

Questions to guide your conversation with us:

* Help me understand how these fees and costs might affect my investments. If I give you $10,000, how much will go to fees and costs, and how much will be invested for me?

A schedule reflecting details on the commission charged to you and received by us and your financial representative for trades of equities can be found at [www.worldfinancial.net](http://www.worldfinancial.net). Or you may call 212-584-4139, General Principal, James DesLonde for further information. Amounts on this schedule will be discounted for each customer. World never charges full commission. “ You will pay fees and costs whether you make or lose money on your investments.” Please make sure you understand what fees and costs you are paying.

 Standard of Conduct

What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When World provides you with a recommendation, we are required to act in your best interest and not put our best 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 we provide to you. Here are some examples to help you understand what this means:

World does not offer its own proprietary products so there is 100% no conflict there. World does engage in proprietary trading in which we make profits buying and selling from and to our own accounts. There may be an instance where both our clients and the firm trade the same security. Another example is the more the transactions, the more the compensation and with that the incentive to make recommendations more frequently.

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

In the case of World buying and selling the same investments at the same time as you would as a client, we will ensure that our clients always receive the best price on either a buy or a sell from your account. In addition, frequency of transactions is reviewed on a regular basis by firm supervisory personnel.

How do your financial professional make money?

The compensation your investment professional received depends on several factors:

* The type of product purchased or sold, the principal amount of the fixed income security or number of shares of stock bought or sold would generate either a commission or a markup/markdown which will be clearly disclosed on your confirmation.
* In a brokerage relationship, investment professionals are generally compensated for each transaction in your account. Therefore, a broker has an incentive to provide investment recommendations that result in selling more investment products and services that carry higher fees.

Questions to guide your conversation with us:

* Do you or our financial professionals have legal or disciplinary history: YES

Established in 1976, the firm and certain associated persons have incurred history that is required to be reported under regulatory obligations. These reporting can be reviewed on the websites stated below.

Please visit <https://www.investor.gov/CRS> or <https://brokercheck.finra.org> or call 212-584-4139

to speak with James C. DesLonde/General Principal

Where can I find additional information:

* You can always ask your financial professional for more information about our brokerage services or for a copy of Form CRS. Additional information is available at [www.worldfinancial.net](http://www.worldfinancial.net) under Regulation BI Disclosure.

Questions to guide your conversation with us:

* Who is my primary contact person? The representative listed on your month end client statement. Is he or she a representative of your broker dealer? Yes, that representative is required to be registered with the firm and its regulators.
* Who can I talk to if I have concerns about how this person is treating me?

 If you have any concerns about how this this person is treating you, you may call James C. DesLonde/General Principal of `World First Financial Services Inc. at 212-584-4139

Please carefully review & consider the information in each section below which further elaborates Reg BI.

Brokerage Services

Brokerage Service Models and Products

Brokerage Fees and our Compensation

Conflicts of Interest

**Brokerage services**

When you establish a brokerage account with World, you have the ability to buy, sell and hold investments within your account. The primary service we provide is our access to all U.S. investment markets. We execute purchases and sales on your behalf, and as directed by you. In a brokerage services relationship we can trade with you for our own account, for an affiliate or for another client, and we can earn a profit on those trades. The capacity in which we act is disclosed on your trade confirmation. However, we are not required to communicate it in advance, obtain your consent, or inform you of any profit earned on trades.

**Cash Brokerage and Margin Brokerage Accounts**

We provide brokerage services through either a cash brokerage account or margin brokerage account, based on your eligibility and selection. In a cash brokerage account, you must pay for your purchases in full at the time of purchase. In a margin brokerage account, you must eventually pay for your purchases in full, but you may borrow part of the purchase price from our clearing firm, First Clearing[[1]](#footnote-1). This is generally referred to as a “margin loan.” The portion of the purchase price that is loaned you is secured by securities in your account, also referred to as “collateral.” You will incur interest costs as a result of your margin activity. While many securities are eligible to be used as collateral for a margin loan, some assets are not available for margin collateral purposes.

Given that a margin-enabled brokerage account has specific eligibility requirements, unique costs, and governing regulatory requirements, our default brokerage option is our cash brokerage account. You must execute a separate margin agreement before engaging in margin brokerage activity. Included with your margin agreement is a copy of the Margin Disclosure Statement. This statement contains important information you should understand and consider before establishing a margin brokerage relationship with us. For more information on our margin brokerage services, contact a financial advisor or refer to our Margin Disclosure Statement available at [www.worldfinancial.net](http://www.worldfinancial.net).

**Brokerage Account Types**

We offer many different brokerage account types including individual and joint accounts, custodial accounts, Delivery Versus Payment (DVP) accounts, estate and trust accounts, partnership accounts, individual retirement accounts and other types of retirement accounts as outlined in our account agreement(s). You should refer to our account agreement(s) for more information concerning available account types or speak with a financial advisor.

**Incidental Brokerage Services, Recommendations, Account Monitoring and Risk Assessment**

Within your brokerage account, we may also provide other incidental services such as research reports, and recommendations to buy, sell, or hold assets. When we make a securities recommendation, investment strategy recommendation or recommendation to rollover assets from your Qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. Any such statement will be made orally to you. Moreover, when we act in a brokerage capacity, we do not agree to enter into a fiduciary relationship with you.

It is important for you to understand that when our financial advisors make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a financial advisor about whether a managed account alternative is more appropriate for you.

As it pertains to you providing the required information under Reg BI for the firm to determine if a recommendation is suitable such as your risk tolerance, liquidity needs, time horizon, financial needs and tax status, World will make a reasonable and conscious effort to place this important information on your account. However, if you are unwilling, refusing or unable to provide such information, World will take this into account when making recommendations and as such, may or may not proceed with the recommendation. This determination will be based on the firm’s prior relationship, past investment history and any other details the firm will be able to obtain on its current relationship with you. However, under SEC Rule 240.17-a-3(a)(35), World will excuse itself from Reg BI guidance and will not be held responsible if your investment status has changed and you have not updated your information with the firm. Documentation of all notices sent will be part of the firm’s B&R.

How does a client know if this information is not on file with the firm?

World on a regular basis sends updates to you via US Postal Service to inform you that necessary information is not on file and request that you to update your account. In addition, your month end client statement will reflect on the cover page your investment objective status with missing information coded as “Please Provide”. You may either contact the investment professional stated on your month end client statement and update this information immediately. Alternatively, you may also contact General Principal, James DesLonde, at 212-584-4139.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

**Clearing Services**

We have entered into an agreement with First Clearing (also referred to herein as “Clearing Agent”) to carry your account and provide certain back office functions. We and First Clearing share responsibilities with respect to your account as set forth in the Designation of Responsibilities that was delivered to you upon opening of your account. Please refer to the Designation of Responsibilities for more information on how such responsibilities have been allocated between us.

**Understanding Risk**

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Further, some investments involve more risk than other investments. Higher-risk investments may have the potential for higher returns but also for greater losses. The higher your “risk tolerance,” meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. We align risk tolerances with investment needs to offer you different investment objectives from which to choose (see below). You should select the investment objective and risk tolerance best aligned with your brokerage account goals and needs.

Investment goals typically have different time horizons and different income and growth objectives. Generally, investment goals are on a spectrum, with “Income” investors typically holding the smallest percentage of higher- risk investments, followed by “Growth and Income” investors holding *some* higher-risk investments, and finally “Growth” investors holding a significant portion of their portfolio in higher-risk investments. Risk tolerance 172

Also varies and we measure it on a continuum that increases from “Conservative” to “Moderate” to “Aggressive,” and finally “Trading and Speculation.” See the chart below for details.

  Our recommendations are based in part on your risk tolerance and investment objective as outlined below. We encourage you to carefully consider your investment objective and risk tolerance before investing.

|  |  |  |
| --- | --- | --- |
| **Investment Objective Description** | **Risk Tolerance** | **Risk Tolerance Definition** |
| Income portfolios emphasize current income with minimal consideration for capital appreciation and usually have less exposure to more volatile growth assets. | Conservative | Conservative Income investors generally assume lower risk, but may still experience losses or have lower expected income returns. |
| Moderate | Moderate Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest income returns. |
| Aggressive | Aggressive Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses. |
| Growth and Income portfolios emphasize a blend of current income and capital appreciation and usually have some exposure to more volatile growth assets. | Conservative | Conservative Growth and Income investors generally assume a lower amount of risk, but may still experience losses or have lower expected returns. |
| Moderate | Moderate Growth and Income investors are willing to accept a modest level of risk that may result in increased losses in exchange for the potential to receive modest returns. |
| Aggressive | Aggressive Growth and Income investors seek a higher level of returns and are willing to accept a higher level of risk that may result in greater losses. |
| Growth portfolios emphasize capital appreciation with minimal consideration for current income and usually have significant exposure to more volatile growth assets. | Conservative | Conservative Growth investors generally assume a lower amount of risk, but may still experience increased losses or have lower expected growth returns. |
| Moderate | Moderate Growth investors are willing to accept a modest level of risk that may result in significant losses in exchange for the potential to receive higher returns. |
| Aggressive | Aggressive Growth investors seek a higher level of returns and are willing to accept a high level of risk that may result in more significant losses. |
| Trading and Speculation investors seek out a maximum return through a broad range of investment strategies which generally involve a high level of risk, including the potential for unlimited loss of investment capital.  |

**Cash Sweep Program Feature**

Our brokerage services include a Cash Sweep Program feature. This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically “swept” into a “Cash Sweep Vehicle,” until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. You will receive additional information concerning the Cash Sweep Program in your account agreement(s). More information about the Cash Sweep Program can be found in the Cash Sweep Program Disclosure Statement available at www.worldfinancial.net. Please review that Disclosure Statement carefully.

**Account Minimums and Activity Requirements**

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account will be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained, or you may be subject to a non-activity fee.

These requirements are detailed in the account agreement(s) you receive when you open your brokerage account. These fees are not charged by World. They are charged by our clearing firm whom holds your account assets.

You should also understand that our financial advisors may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated financial advisor may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your financial advisor.

**Brokerage service models and products**

World is a full service broker dealer registered with the SEC, Financial Industry Regulatory Authority (FINRA), Municipal Securities Rulemaking Board (MSRB) and Securities Investor Protection Corporation (SIPC). For the last forty years, the firm has specialized in investment grade municipal securities as its primary business, however, the firm is an active participant in all equity markets, corporate bond and preferred securities markets . The firm offers individual, joint, custodian, corporation, partnership, trust and estate accounts. Governed under IRS Code, we additionally offer all IRA’s accounts i.e. Traditional, SEP, Inherited, Simple, Roth, SEP.

**Brokerage fees and our compensation**

It is important to consider that while a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone given the fees and costs involved.

Fees and costs affect the value of an account. In a brokerage account, the fees that you pay and/or compensation that World will earn is based on the specific transaction and not the value of an account. The amount of the transaction charge for a particular transaction depends on the nature of the transaction, type of securities or product that you buy or sell, how much you buy or sell and other market factors. These transaction-based fees are generally referred to as a commission, mark up, sales load, or a sales charge. Fees and costs will reduce any amount of money you make on our investments over time.

Schedules reflecting details on the commission charged on an account and received by us and our financial representative for all trades can be found at [www.worldfinancial.net](http://www.worldfinancial.net). Or a client may call 212-584-4139, General Principal, James DesLonde for further information. Amounts on these schedules will be discounted for each customer. World never charges full commission. “ A client will pay fees and costs whether they make or lose money on their investments.” Please make sure the client understands what fees and costs they are paying.

**Transaction-Based Fees**

You will pay transaction-based fees for trades you decide to enter into, such as buying and selling stocks, bonds, Exchange Traded Products (ETPs), mutual funds, annuity contracts, exercising options and other investment purchases and sale. These transaction-based fees are generally referred to as a “commission,” “mark up,” “sales load,” or a “sales charge.” Transaction-based fees are based on a host of factors, including, but not limited to:

* Underlying product selection
* Your brokerage service model and account type
* Size of your transaction and/or overall value of your account
* Frequency of your trade activity
* Available discounts and/or fee waivers

**Account and Service Fees**

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions.

You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you. For more information concerning our administrative and service fees, visit us at [www.worldfinancial.net](http://www.worldfinancial.net).

**How We Are Compensated**

We receive direct and indirect compensation in connection with your accounts. Direct compensation is taken directly from the affected account. Indirect compensation is compensation paid in ways other than directly from

the account and may impact the value of the associated investments in your account. The sections below describe the compensation that we receive in connection with various investments that may be available to you. In many cases, the descriptions that follow refer to a prospectus or offering documents such as a mutual fund, new issue preferred stock or syndicate new issue municipal underwriting

***Financial Advisor Schedules***

**Commission Schedule for Stocks, Rights, Warrants, Secondary Market Closed End Funds (CEFs) and Exchange Traded Products (ETPs)**

This schedule below details the commission charged to you and received by us and your financial advisor for trades of stocks, rights, and warrants. All commission schedules can be found at www.worldfinancial.net.

|  |  |
| --- | --- |
| Any Equity Transaction | % discount from First Clearing Standard Commission Schedule |
|  |  |

**Option Rates Equity and Index**

Options compensation is received as direct compensation, as described below.

**Single Option Execution for Options $1.00 and Greater**

|  |  |
| --- | --- |
| Any Option Transaction | % discount from First Clearing Standard Commission Schedule |
|  |  |

Minimum: $25.00

**Multiple Options Executed on the Same Day for Options $1.00 and Greater**

|  |  |
| --- | --- |
| **Principal** | **Commission** |
| Any Multiple Option | % discount from First Clearing Standard Commission Schedule |
|  |  |

 Minimum: $25.00

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| **Debt Securities** For debt securities, including preferred securities and CDs, we may apply a charge (i.e., markup) of up to [3%] of the amount of your secondary market transaction. Additionally, we may incur gains (or losses) on positions we hold in inventory in response to market movements or other events that impact the value of the securities we own. However, in normal practice, in most cases the markup will be significantly lower than reasonable markup suggestions under regulation. Markup information is disclosed on your client confirmation.**Mutual Funds** We currently offer thousands of mutual funds varying in share class structure and investment style. If you invest in mutual funds, we may receive direct and indirect compensation in connection with such mutual fund investments, as described below. **12b-1/Shareholder Service Fees** Annual 12b-1 fees, also known as trails, are paid by the fund and paid to us out of fund assets under a distribution and servicing arrangement to cover distribution expenses and sometimes shareholder service expenses that we may provide on the fund’s behalf. Shareholder service fees are paid to respond to investor inquiries & provide investors with information 171about their investments. These fees are asset-based fees charged by the fund family. These fees range from 0.00% to 1.00%, but the majority of these fees are below 0.85%. These fees may be passed on to us and may in turn be passed on to your Financial advisor as a commission. **Front-end Sales Charge Fees/Contingent Deferred Sales Charges (CDSC)** Front-end sales charge fees may be charged and paid to us, including your Financial advisor, when you purchase a fund. The front-end sales charge is deducted from the initial investment on certain share classes. This charge normally ranges from 0.00% to 5.75%. Some purchases may qualify for a reduced front-end sales charge due to breakpoint discounts based on the amount of transaction and rights of accumulation. In addition, some purchases may qualify for a sales charge waiver based on the type of account, and/or certain qualifications within the account. You should contact your Financial advisor if you believe you are eligible for sales charge waivers. CDSC is a charge you pay upon withdrawal of money from a fund prior to the end of the fund’s CDSC period. CDSC charges range from 0.00% to 5.50%. CDSC periods can range from zero to seven years. This charge typically exists only on share classes that do not have a front-end sales charge. It is sometimes referred to as the back-end load. CDSCs are not charged when you purchase a fund. The fee charged will depend on the share class purchased by the investor. A CDSC is not passed on to your Financial advisor. You can find a description of the amount and payment frequency of all fees and expenses charged and paid by the fund in the fund’s prospectus. Fees and expenses disclosed in the fund’s prospectus are charged against the investment values of the fund. Please note that 12b-1s and similar fees or compensation received in connection with our affiliated funds are not received, or are rebated, on ERISA assets held in Advisory Program accounts. **Revenue Sharing** World has a revenue sharing arrangement with its clearing agent, First Clearing LLC. Wells Fargo Bank, the parent company of First Clearing LLC. is the bank of record for all FDIC deposits. Depending on the interest rate environment, First Clearing LLC through its parent shares a designated portion of interest on all FDIC balances. Through its extremely large network, in compliance with Federal Reserve Board regulations, Wells Fargo is able to offer FDIC insurance on each account with a FDIC balance up to $750,000 per account. Normal FDIC insurance at a standard bank is only $250,000 per account.**Data Agreement** World has no data agreements with any mutual fund company.**Annuities** World does not solicit annuities as part of its normal business practices.**Market-Linked Investments Information** World does not engage in any market-linked investments.**Alternative Investments Information** World does not engage in any alternative investments. |  |  |
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**Unit Investment Trusts (UITs)**

Our UITs consist of Equity and Fixed-Income UITs. We, along with your financial advisors, are compensated in ways that vary depending on the type and terms of the UIT portfolio selected. The types of fees received by us are described below and are disclosed via the prospectus issued by the UIT provider. Your financial advisor can provide you a copy of the most recent prospectus. The UIT provider deducts fees as compensation from the proceeds available for investments for marketing and distribution expenses, which may include compensating us as described in each UIT prospectus.

World does not engage in UIT investments as part of its normal business solicitation practices, however, in the event of a non-solicited request from a client, the policies followed would be similar to that pertaining to Fixed Income securities as well as the firm’s standard obligation to ensure that any such requested order by a client will be required to mee the standards of the clients investment objectives including time horizon and term requirements set for the account.

**Cash Sweep Program/Bank Deposit Sweep/Other Float Compensation**

 Wells Fargo Bank, the parent company of First Clearing LLC. is the bank of record for all FDIC deposits. Depending on the interest rate environment, First Clearing LLC through its parent shares a designated portion of interest on all FDIC balances. Through its extremely large network, in compliance with Federal Reserve Board regulations, Wells Fargo is able to offer FDIC insurance on each account with a FDIC balance up to $750,000 per account. Normal FDIC insurance at a standard bank is only $250,000 per account.

**Training and Education**

The firm will continually monitor its progress as it pertains to its obligations under Reg BI. The firm’s CCO, James C. DesLonde will be responsible for continued development, implementation and review of all Reg BI training. REG BI training will occur in the 12th month of every calendar year unless material updates to the Rule occur prior to that training period of which training will occur within 30 days of same change. The training will be delivered via Zoom conference call and documented as such. All associated persons will be required to attend. An attendance sheet will be delivered and require mandatory proof of attendance.

**Operational Fees**

World does not receive any fees from third party operational related activities.

**Trade Corrections**

Although post settle trade corrections are billable by its clearing agent, World does not charge a customer for a trade correction.

**Compensation for Termination of Services**

Other than any contingent deferred sales charge for a fund (as described under the Mutual Funds section above, if applicable), IRA termination fees (when applicable), and account transfer fees, the firm would not receive any additional compensation in connection with the termination of its services. If you have questions or need additional copies, contact your financial advisor or James C. DesLonde, CCO, at 212-584-4139

**Conflicts of interest**

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially adverse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our financial advisors, our clients and third parties. We offer a broad range of investment services and products and we receive various forms of compensation from our clients and non-affiliated product providers. Securities rules allow for us, our financial advisors, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our financial advisors receive from you varies based upon the product or service you purchase, which under industry conditions may create a financial incentive to recommend investment products and services that generate greater compensation to us. World does not recommend any purchase or sale with the intention that such transaction would create a situation of greater compensation to us.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in your account agreement(s) and disclosure documents, our product guides and other information we make available to you.

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| **Compensation We Receive From Clients** |

**Transaction-based conflicts**

In your brokerage account you pay certain fees (commissions and sales charges) in connection with the buying and selling of each investment product, including mutual funds, variable annuities, exchange traded funds, equity securities, and bonds. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial advisor receive. This compensation creates an incentive for us to recommend that you buy and sell, rather than hold, these investments. We also have an incentive to recommend that you purchase investment products that carry higher fees, instead of products that carry lower fees or no fees at all.

**Markups and markdowns for principal transactions**

When you buy or sell securities in a brokerage account, and in accordance with industry regulations, we may impose a markup (increase) or markdown (decrease) in the price of transactions we execute on a principal basis. We are compensated based upon the difference (markup) between the price you pay for securities purchased from us and the price we sell such securities to you over the prevailing market price, or the difference (markdown) between the price you sell securities to us and the price we purchase such securities from you over the prevailing market price. We maintain policies and procedures reasonably designed to help ensure compliance with the markup and markdown industry rules. Per industry regulations, any such markup or markdown is clearly identified on a customer confirmation as well as the percentage of total markup or markdown as a percentage of the total transaction.

**Account maintenance and other administrative fees**

For the services we provide or make available to you with respect to your brokerage account, we charge certain account maintenance and other administrative fees, including transfer, wire, or other miscellaneous fees, as described in the fee schedule provided to you on an annual basis. The higher the fees we charge, the more we are compensated. World does not charge these fees. They are contracted fees charged by our clearing agent.

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| **Compensation We Receive from Third Parties** |

Third-party payments we receive vary from the compensation we receive in connection with other products and services we may make available to you. This compensation generally represents an expense embedded in the investment products and services that is borne by investors. The types of third-party compensation we receive include:

**Revenue Sharing.** Wells Fargo Bank, the parent company of First Clearing LLC. is the bank of record for all FDIC deposits. Depending on the interest rate environment, First Clearing LLC through its parent shares a designated portion of interest on all FDIC balances. Through its extremely large network, in compliance with Federal Reserve Board regulations, Wells Fargo is able to offer FDIC insurance on each account with a FDIC balance up to $750,000 per account. Normal FDIC insurance at a standard bank is only $250,000 per account.

* **Trail Compensation.** Ongoing compensation from Product Sponsors may be received by us and shared with our financial advisors. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. The amount of this compensation varies from product to product. We have an incentive to recommend that you purchase and hold interests in products that pay us higher trails. World does not engage in the recommendation of mutual funds based on product compensation.

**Additional Compensation from Product Sponsors and Other Third Parties**

We and our financial advisors, associates, employees, and agents do not receive additional compensation from Product Sponsors and other third parties including:

* Gifts and awards, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospective clients.
* Payment or reimbursement for the costs associated with education or training events that are attended by our employees, agents, and financial advisors, and for conferences and events that we sponsor.
* Reimbursement from Product Sponsors for research and technology-related costs, such as those to build systems, tools, and new features to aid in servicing clients. Additionally, we and our affiliates receive compensation from Product Sponsors to provide aggregate sales data.

**Product Share Classes**

Some Product Sponsors offer multiple structures of the same product (e.g., mutual fund share classes) with each option having a unique expense structure, and some having lower costs to you as compared to others. World is not incentivised to make available those share classes or other product structures that will generate the highest compensation to us.

**Compensation Related to Proprietary Products**

Under industry standards, brokerage recommendations can include a recommendation to invest in a product or service that is managed, issued or sponsored by us or our affiliates. World does not manage, issue or sponsor any products.

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| **Compensation Related to Our Affiliates**  |

World does not receive any compensation from an affiliate for brokerage recommendations.

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| **Compensation Received by Associated Persons** |

[REVIEW AND REVISE BELOW DESCRIPTIONS AS APPROPRIATE FOR YOUR FIRM’S COMPENSATION PRACTICES]

Industry associated persons may be compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients and/or total assets under advisement, including brokerage account activity. This compensation may vary by the product or service associated with a brokerage recommendation. In addition to upfront-transaction based compensation, some products feature on-going residual or “trail” payments.

Thus, associated persons are incentivized to recommend products that have higher fees as well as those with on-going payments. World is not compensated based on a percentage of revenue on the sales of products and services or for total assets under advisement.

Typically, an industry associated persons payout schedule (periodically adjusted at a firm’s discretion) increases with production and asset levels. World does not adjust an advisor’s payout schedule for increases or decreases in production levels, tenure with the firm, client product mix, asset gathering, referrals to affiliates or other targets, as well as compliance with our policies and procedures and meeting best business practices.

Associated persons have an incentive to recommend you rollover assets from a Qualified Retirement Plan (QRP) to a brokerage Individual Retirement Account (IRA) because of the compensation they will receive. We maintain policies and procedures designed to ensure that rollover recommendations are in your best interest.

Brokerage accounts, unlike advisory accounts, do not feature an on-going fee based on assets under management. World does not maintain advisory accounts and thus, have no incentive to recommend an advisory account with any client.

World does not offer noncash compensation to associated persons in the form of credits toward business expense accounts and certain titles. World does not offer compensation in the form of education meetings and recognition trips. World does not permit associated persons to engage with industry product providers that sponsor and/or participate in education meetings and recognition trips to gain opportunities to build relations with same associated persons which could lead to sales of such product provider’s products.

**Other Associated Persons** **Activities**

Associated persons may be motivated to place trades ahead of clients in order to receive more favorable prices than their clients. World maintains strict policies as it pertains to frontrunning a clients order. If in the unlikely event it is determined that the firm has received a price on any transaction during a similar execution time frame, a trade correction will be processed allocating the better price to the customer.

Industry noted internal campaigns and recognition efforts incentivize financial advisors to engage in activities to reach incentive goals. World does not engage in any internal campaign, sales contests or recognition goal incentives.

(rev June 30, 2022)

**Additional Resources**

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| Title | Web address |
|  Form CRS | [www.worldfinancial.net](http://www.worldfinancial.net) |
| Legal Disclosures | [www.worldfinancial.net](http://www.worldfinancial.net) |
| Margin Disclosure | www.worldfinancial.net |
| Cash Sweep Program | www.worldfinancial.net |
| Commission Schedules &Administrative & Service Fee Schedules  | [www.worldfinancial.net](http://www.worldfinancial.net)  |

1. First Clearing is a tradename used by Wells Fargo Clearing Services, LLC. [↑](#footnote-ref-1)