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# REGULATION BEST INTEREST DISCLOSURE SUPPLEMENT

This disclosure provides information about the business practices and conflicts of interest related to the brokerage business of Concorde Investment Services, LLC ("CIS") and/or the investment advisory business of Concorde Asset Management, LLC ("CAM" and collectively referred to as "we," "us," or "Concorde"). Additional information about Concorde and its financial professionals is available on FINRA's website at <http://brokercheck.finra.org> or the SEC's website <https://adviserinfo.sec.gov>.

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## Table of Contents

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Introduction .....	3
Compensation and Conflicts of Interest .....	3
Transactions with Sales Commissions .....	4
Revenue from Third Parties .....	4
Non-Cash Compensation .....	5
Financial Professional Compensation .....	6
Other conflicts of interest.....	6

## Introduction

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Concorde Investment Services, LLC. (“CIS”) is registered with the Securities and Exchange Commission (“SEC”) as a Broker-Dealer and is a member of Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). As a broker-dealer, CIS is the business of buying and selling securities on behalf of its customers for a transaction-based fee or commission charged for each trade. Concorde Asset Management, LLC (“CAM”) is registered with the Securities and Exchange Commission (“SEC”) as an Investment Adviser. As a registered investment adviser, CAM makes investment recommendations or conducts securities analysis generally in return for a flat, hourly, or asset-based fee. These services, products and programs are offered through our network of independent broker dealer registered representatives and/or investment advisor representatives.

Broker dealer and investment adviser services and fees differ, and it is important for you to understand the differences. Also, there are also limitations to the types of investments and services, and CIS and CAM approve and offer only certain account types, products, securities, and services. There may be additional account types, products, securities, and services that are not offered by CIS and CAM, which may benefit you and your portfolio. Securities and services we offer, may be available at a lower cost through another provider.

Additionally, our associated financial professionals are licensed to offer certain products and securities. In some cases, your financial professional might not be able to recommend a particular product and/or security which may benefit you and your portfolio. You can obtain information concerning your financial professional’s licenses and any limitations on that license, by visiting [www.brokercheck.finra.org](http://www.brokercheck.finra.org).

As you work with your financial professional to determine the right investments and services to help you achieve your investment goals, it is also important for you to understand how Concorde and your financial professional are compensated. Various forms of compensation may create potential conflicts of interest, and it is important for you to assess potential conflicts of interest in making investment decisions.

This document is also intended to help you understand how Concorde and your financial professional are compensated. Disclosures relating to our relationship with our clients are explained in our Customer Relationship Summary, also known as a Form CRS. Additional information about how CAM is compensated and its conflicts of interest can be found in its Form ADV Brochures. Free and simple tools to research firms and financial professionals can be found at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

**Please note that not all the conflicts described in this disclosure apply to a particular financial professional, his or her services, or all the products we sell. The types and amounts of compensation we receive will also change over time. You should ask your financial professional if you have any questions about compensation, costs, fees, or conflicts of interest that may apply to your account(s).**

## Compensation and Conflicts of Interest

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Different types of investments pay different types or amounts of compensation to you CIS and/or your financial professional, which creates an incentive to sell investments that pay higher compensation. We may also earn revenue and other compensation that is not related to investments that creates an

incentive to engage in activities that generate additional revenue. More information about how CIS and its financial professionals earn compensation, as well as the resulting conflicts of interests, is detailed below.

### Transactions with Sales Commissions

Typically, CIS and its financial professionals earn commission in the following ways:

- Transaction-based commissions when investments are bought or sold in your brokerage accounts, such as stocks, bonds, and exchange-traded funds. Financial professionals will have an incentive to execute transactions to earn commissions. Please also see our [schedules of custodial fees](#) for additional information about account fees and commissions.
- Commissions may be paid at the time of purchase (front-end load), may be built into the expense of the product purchased (no load), may be charged to you when you sell the investment (back-end load), or a combination of these methods for investments such as mutual funds, variable and fixed insurance policies, direct or alternative investments, 529 Plans, or unit investment trusts (UITs).
- CIS also receives override compensation, or commission on the sales made by one of our financial professionals, for certain insurance products sold to clients.

Sales charges, expenses and commissions paid will differ with the type of product purchased, the share class purchased, and, in some cases, the amount of money you invest. Generally, sales charges can be up to 6% of the purchase amount of an investment. Varying compensation creates an incentive to recommend investments that pay more compensation than others.

Many investment products charge their own fees and costs that are separate from and in addition to the commissions that CIS and its financial professionals receive. The performance of your investment will differ depending on the total fees and expenses charged, type of share class, and product selected, as well as any discounts that may apply.

Additional information about the commissions, product expenses, and other charges associated with the investments you are purchasing, as well as the estimated impact on performance and any discounts available can be found in the offering document, which may also be known as the prospectus or private placement memorandum. We encourage you to also discuss fees, charges, discounts, and their impact on the performance of your account with your financial professional.

### Revenue from Third Parties

CIS also receives revenue from third parties, such as the following:

- Revenue generated on cash balances you hold in Dreyfus Insured Deposits investments with Pershing and a 25 basis point placement fee for deposits placed through the Cantor Fitzgerald Insured Cash Program;
- Sharing in transactional and service fees charged by our custodians Pershing and RBC;
- Financial incentives that may be offered from time to time by our custodians, Pershing, and RBC, to continue to use their services;

- CIS, along with the customer, may receive a fee for securities lent to the clearing firm as part of a securities lending agreement;
- Payments from product sponsors for marketing allowance, product onboarding, and due diligence fees that generally do not exceed 1.5% of the transaction amount. These payments are designed to compensate Broker-Dealer for initial and ongoing review, marketing, and administration, as well as education of its employees and representatives regarding these types of products.
- Ongoing or continuing compensation from mutual fund, variable annuity, and alternative investment sponsor companies, sometimes referred to as a 12b-1 fees, trailing commissions or trails that are intended to compensate for marketing and services provided to your financial professional and you. The amount of trailing compensation can vary based on the product, share class, and amount invested. For mutual funds, the maximum amount is typically 1%, while annuities and alternative investments can be as high as 2%.
- Reimbursement from some product sponsors to financial professionals for certain technology and tools. Examples may include payment for web marketing or subscriptions to third party financial research and tools.
- Referral fees for introducing
- Payments for sponsor conferences, meetings, and industry events that we host. The amount of compensation can vary widely depending on the event and the level of sponsorship offered. Typically, sponsorships allow product sponsors to provide information about their products and services, however, compensation for sponsorship is not contingent or connected with a specific transaction.
- CIS or its affiliated entities may periodically act in additional advisory, consulting, or other capacities for investments which we also recommend to clients.

This additional compensation creates incentive for CIS and its financial professionals to recommend certain investments, share classes, custodians, or account types over others. Please note, the amount of revenue can change over time and may also vary based upon the amount of an investment, the account types, securities purchased, and investment sponsors. In order to receive specific and the most up-to-date information, customers should review the respective offering document. Please also see our [schedules of custodial fees](#) and list of [strategic sponsors](#).

### Non-Cash Compensation

CIS and its financial professionals may receive compensation other than revenue, also called non-cash compensation, from various product sponsors. Types of non-cash compensation can include the following:

- Marketing support;
- Occasional gifts or substantial promotional items not exceeding \$100 per sponsor per year;
- Occasional meals, event tickets, or other entertainment of reasonable or customary value;
- Qualification for additional business support and for attendance at seminars, conferences and entertainment events based upon total sales, as opposed to the sale of certain products.

This compensation creates a conflict of interest by incentivizing financial professionals to transact more business in total or with a specific sponsor that provides them with non-cash support.

## Financial Professional Compensation

Financial professionals receive an agreed upon percentage of the commissions received by CIS. The percentage of the compensation the financial professional receives is negotiated with the Firms and is based on a number of factors.

Financial professionals can also receive special recruitment or retention incentives such as forgivable loans and bonuses. These loans may be contingent on generating a certain level of revenue, which creates an incentive for the financial professional to recommend more costly products or recommend a greater number of transactions in order to generate the necessary amount of revenue.

## Other conflicts of interest

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- CIS affiliated with other entities, including a product sponsor, a registered investment adviser, and an insurance agency. CIS and its financial professionals are incentivized to refer customers to our affiliates as it generates additional compensation for the firm and investment professional, directly, or through the enterprise.
- When approved, financial professionals may engage in certain outside business activities. These activities may include, but are not limited to, real estate, accounting, insurance, legal, and other professions. As a result, financial professionals who engage in these activities are financially incentivized to recommend certain products or services outside the scope of their relationship with CIS.
- Financial professionals sometime engages in business and trading activities for client accounts while other clients are active in relevant markets at the same time. They are therefore incentivized to recommend investments to the benefit other investor accounts and certain trades could disadvantage the performance in a client's account.
- In addition, financial professionals may engage in personal trading or outside business activities, such as board memberships or directorships, which could conflict with a client's interests.
- CIS, its financial professionals, and other associated persons charitable and/or political donations could create the perception that we are seeking a quid pro quo.
- Further, CIS, its financial professionals, and other associated persons are periodically exposed to confidential information that may benefit them or a client.