

1251 Waterfront Place, Suite 510
 Pittsburgh, PA 15222
 1-800-693-7800
www.macg.com



Mid Atlantic Capital Corporation (“MACC”) is a broker dealer registered with the Securities and Exchange Commission. It’s important that you understand that brokerage and investment advisory services and fees differ. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker dealers, investment advisers and investing.

What investment services and advice can you provide me?

Our brokerage services include: (1) buying and selling securities on your behalf, (2) extending credit for the purchase and sale of securities (margin lending) and (3) providing you with access to research, financial tools and planning services. We may recommend a variety of investments, including stocks, bonds, options, mutual funds, variable annuities, ETFs and private placements. Unless we separately agree in writing, we do not provide ongoing monitoring of your investments as part of our standard brokerage services. In a brokerage account, you make the ultimate decision regarding the purchase and sale of investments. We do not have a minimum account size. However, certain securities have minimum trading requirements such as options, mutual funds and municipal securities.

For additional information about our brokerage services please go to our website: www.macg.com.

Conversation Starters. Ask your financial professional -

- *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?

When you place trades in your brokerage account, you pay transaction-based fees (also known as a commission). Commissions are based on the size and dollar amount of a trade. We also charge fixed trading fees. Because we are compensated for transactions, we have an incentive to encourage you to trade more frequently and in greater amounts. Our standard commission rates are negotiable.

Mutual Funds: The firm offers two types of mutual funds, funds with a “sales load” and funds without a sales load (also known as “no-load” fund). A mutual fund with a sales load imposes a fee on you, which is paid to us. A no-load fund does not have a sales load. We have a conflict of interest in recommending mutual funds with a sales load because we and our representatives earn greater compensation for selling these funds when compared to no load funds. For more information about fees and expenses associated with investing in mutual funds, please refer to <https://www.sec.gov/fast-answers/answersmfteeshtm.html>.

Placement Agent Fees: To the extent you meet certain minimum net worth requirements, you may qualify to purchase securities through a private placement (e.g., private equity funds). When we sell these investments, we are paid a placement fee directly from the fund. We have a conflict of interest when selling private placements because we are hired by a third party to sell their shares to you.

Service Fees: You may pay fees for services incidental to trading. These include, for example, wire transfer fees, fees related annuity transactions, round lot surcharges, and min annual recordkeeping and custody fees.

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 additional information about our brokerage commissions and fees visit our website at www.macg.com.

Conversation Starter. Ask your financial professional –

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

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

When we provide you with a recommendation 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 we provide you. Here are some examples to help you understand what this means.

Examples of Ways We Make Money and Conflicts of Interest

- 1) **Proprietary Products:** We receive a fee when your free cash balances are swept into interest bearing FDIC insurance eligible accounts through our Bank Deposit Sweep Program (BDSP). We have a conflict of interest in offering BDSP in so far as we earn more money on uninvested cash swept into BDSP than we could on other sweep vehicles.
- 2) **Third-Party Payments:** We receive compensation from unaffiliated third parties when you borrow money using your securities as collateral (both to invest in other securities or for non-investment purposes). We also receive referral fees from investment banks, lenders, and insurance agents. Sometimes these fees are one-time payments and other times they are ongoing. We have an incentive to recommend products of third parties that pay us over products of third parties that do not pay us or pay us less.
- 3) **Revenue Sharing:** We occasionally receive revenue sharing payments from fund managers and sponsors when you invest in their products (primarily mutual funds and variable annuities) through us. This creates an incentive to recommend products that share their revenue with us over those that do not or who share less.
- 4) **Principal Trading:** When you trade municipal and corporate bonds in your brokerage account, we may buy these bonds from you or sell these bonds to you. This is called principal trading. We can earn compensation and other benefits on these trades, so we have an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.

Conversation Starter. Ask your financial professional -

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

For additional information, please see our account opening documents and other disclosure documents, such as our Bank Deposit Sweep Disclosure Document, which can be found on our website at www.macg.com.

How Do Your Financial Professionals Make Money?

Your financial professional makes money when you purchase and sell securities. Typically, the larger the trade and the more frequent the trading, the more money your financial professional can make. Your financial professional therefore has a conflict of interest in recommending that you trade more often and in larger amounts. Additionally, your financial professional can make more money when you trade certain types of securities compared with others. Finally, your financial professional can earn ongoing fees for some investments, including mutual funds and annuities.

The fees and commission you pay is largely determined by your financial adviser who can apply discounts to our standard rates. The greater the discount, the less they stand to earn on a given transaction. Factors that your financial professional may consider when negotiating commissions include, for example, market liquidity, overall relationship, frequency of trading, and trading venue.

Your financial professional may receive compensation directly from third parties when you purchase their products (e.g., mutual funds, private equity funds and variable annuity sponsors). When you borrow money using your securities as collateral, a portion of the interest you pay may go to your financial professional. Your financial professional has an incentive to recommend products of third parties that pay them over products of third parties that do not pay them or pay them less.

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

Yes. You can visit Investor.gov/CRS for a free and simple search tool to research our firm and your financial professional.

Conversation Starter: Ask your financial adviser –

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

You can request up-to-date information about our services and a copy of this relationship summary through your financial professional or by calling us at (412) 391-7077.

Conversation Starter. Ask your financial professional -

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