



## Maplewood Investments, Inc. and MIAI, Inc. Form CRS Customer Relationship Summary June 30, 2020

Maplewood Investments, Inc. (MPLW) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA), the Securities Investor Protection Corporation and the Municipal Securities Rulemaking Board. MPLW is affiliated with MIAI, Inc. (MIAI), an insurance agency and investment adviser registered with the SEC, by way of common control.

- **Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.**

**What investment services and advice can you provide me?** We offer both brokerage and investment advisory services to retail investors. MPLW's registered representatives (RRs) offer brokerage services, MIAI's investment adviser representatives (IARs) offer investment advisory services, and most RRs and IARs offer both depending on their licenses. Some MPLW RRs only offer brokerage services. **When you are discussing services with a RR or IAR, you should ask what capacity the RR or IAR is acting or will be acting-as a broker-dealer RR and/or IAR-when providing service to you.**

- ✓ Our **brokerage** services include buying and selling securities at your direction and providing you with investment recommendations, financial tools and planning services, and investor education from time to time or at your request. We offer mutual funds, exchange-traded funds (ETFs), domestic and international equities, options, fixed income securities, certificates of deposit, and variable annuities. We offer and recommend investment products only from investment sponsors with which we have selling and distribution agreements. Other firms may offer products and services not available through us, or the same or similar investment products and services at a lower cost. Also, we may only offer certain products in a brokerage account, even though there is a version of the product that may be offered at a lower cost through an advisory account, and vice versa. The scope of products and services offered by certain RRs may also be more limited than what is available through other RR's. A RR's ability to offer individual products and services depends on his/her licensing and training. You should ask your RR about the securities or services he/she is licensed or qualified to sell, and his/her ability to service investments that you transfer to us from another firm. You should also review the licenses held by your RR by visiting the FINRA Broker Check system at <http://brokercheck.finra.org>. Unless we separately agree in writing, we do not monitor your brokerage account. You make the ultimate decision regarding the purchase or sale of investments.

**For additional information,** please see MPLW's Brokerage Master Disclosure at <https://maplewoodinvestments.com/disclosures>.

- ✓ Our **advisory** services are generally provided to individuals, trusts, estates, corporations, other business entities, charitable organizations, and pension and profit-sharing plans. The advisory services include investment management using mutual funds, ETFs, and other securities, managed portfolios from third-party investment managers, financial planning, and retirement consulting services through a variety of programs. Depending on which program you select, our investment management services are either "non-discretionary" or "discretionary"-meaning that we either recommend investments to you and you will make the ultimate decision regarding the purchase or sale of investments (non-discretionary), or we will make the investment decisions on your behalf without your signoff (discretionary). If you select one of our programs that involves third-party managers, the third-party manager will invest your account on a discretionary basis using mutual funds, ETFs, and other securities. Either the third-party manager or we will monitor your advisory account and investments on an ongoing basis as part of your standard services. MIAI does not require a minimum account size; however, your IAR may require a minimum account size. You and your IAR will determine if a minimum account size is applicable at the outset of the relationship. Other firms may offer products and services not available through us, or the same or similar investment products and services at a lower cost. Also, we may only

offer certain products in an advisory account, even though there is a version of the product that may be offered at a lower cost through a brokerage account, and vice versa. The scope of products and services offered by certain IARs may also be more limited than what is available through other IAR's. Our IARs hold the Series 65 Uniform Investment Advisers Law Exam License, which means they can provide investment advisory services to you. You should ask your IAR about any other services he/she is licensed or qualified to provide to you. You should also review the licenses held by your IAR by visiting the FINRA Broker Check system at <http://brokercheck.finra.org>.

**For additional information**, please see MIAI's Brochure (Items 4 and 7 of the Brochure) and Advisory Master Disclosure at <https://maplewoodinvestments.com/disclosures>. Our affiliate insurance agency MIAI, Inc., offers a variety of insurance products, including fixed annuities and life insurance.

**Conversation Starters. Ask your representative-**

- **Given my financial situation, should I choose a brokerage service? Should I choose an investment advisory service? Should I choose both types of services? 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?** The fees you pay depend on whether you choose brokerage services, advisory services, or both.

- ✓ For **brokerage services**, the principal fees and costs are transaction-based fees for recommendations and execution of securities trades. Depending on the investment product you select, these fees can include up-front commissions, as well as fees that are charged on an on-going basis for as long as you hold the investment. If we buy a security from you or sell a security to you for our own account (as "principal"), we may mark the price up or down, which is a benefit to us. Because we are compensated for transactions, ***we have an incentive to encourage you to trade more frequently*** and in greater amounts, and to trade with us as principal because we receive more revenue when you do.

You will also pay fees for custodial or administrative services, as well as fees and expenses that are included in the expense ratios (i.e., operating expenses) of certain investments, including mutual funds, ETFs, and variable annuities.

**For additional information about the fees and costs for our brokerage services**, please see MPLW's Brokerage Master Disclosure and the Mutual Fund Investing and 529 College Savings Plans Disclosure at <https://maplewoodinvestments.com/disclosures>.

- ✓ For **advisory services**, we generally charge an ongoing asset-based fee on a monthly basis, paid in arrears, calculated as a percentage of the assets invested with us (in your advisory account) according to the fee schedule in your advisory agreement with us. Please see your advisory agreement for the payment frequency that applies to your account. Therefore, we have an incentive to encourage you to increase the assets in your account. In certain circumstances, we may charge an hourly or fixed fee for advisory services (e.g., a one-time financial plan). MIAI retains full authority to negotiate the fees it charges for advisory services. Keep in mind the more assets you invest in your account, the more you will pay in fees, and therefore ***we have an incentive to encourage you to increase your investment with us.***

You will also pay miscellaneous fees that your account's custodian may charge, including wire fees, transfer fees, bank charges, and other fees, as well as the underlying fees and expenses that are associated with your investments in mutual funds and/or ETFs.

*For additional information about the fees and costs for our advisory services, please see MIAI's Brochure (Item 5 of the Brochure) and Advisory Master Disclosure at <https://maplewoodinvestments.com/disclosures>.*

**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.**

**Conversation Starter. Ask your representative-**

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

**What are your legal obligations to me when providing recommendations as my broker-dealer 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 conflicts with your interests.** You should understand and ask us about these conflicts because they can affect the recommendations and investment advice that we provide to you. Here are some examples to help you understand what this means.

#### **Examples of Ways We Make Money for our Brokerage Services and Conflicts of Interest.**

- **Third-party payments:** We receive payments from third-party product sponsors and managers (or their affiliates) when we recommend or sell certain products. As such, 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.
- **Revenue sharing:** Certain managers and sponsors (or their affiliates) share the revenue they earn when you invest in certain investment products with us (primarily mutual funds). As such, we have an incentive to recommend products of sponsors and managers that share their revenue with us, over other products of sponsors or managers that do not share their revenue, or who share less.
- **Principal trading:** We may buy or sell securities to you from our own account. Because we earn compensation (such as commission equivalents, mark-ups, and mark-downs), we have an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.

*For additional information, MPLW's Brokerage Master Disclosure and the Mutual Fund Investing and 529 College Savings Plan Disclosure at <https://maplewoodinvestments.com/disclosures>.*

#### **Examples of Ways We Make Money for our Advisory Services and Conflicts of Interest.**

- **Asset-based fees:** We make money based on the amount of money you have invested with us. The more money we manage on your behalf, the more money we will be paid. Thus, we benefit from the advisory fees you pay us for managing your account.
- **Third-party payments:** We receive payments from third-party product sponsors and managers (or their affiliates) when we recommend or sell certain products. As such, 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.

*For additional information, please see MIAI's Brochure (Items 5, 10, and 11 of the Brochure) and the Advisory Master Disclosure at <https://maplewoodinvestments.com/disclosures>.*

**Conversation Starter. Ask your representative-**

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

**How do MPLW's registered representatives make money?** Our firm and its RRs can offer various brokerage services and earn differing amounts of compensation. *This variation can incentivize us to recommend services that generate more compensation for the firm and our representatives than others.* For example, if you trade securities frequently in your brokerage account, paying a commission for each transaction, you may generate more compensation for your RR than if you set up an advisory account with MIAI that generates compensation in the form of asset-based investment advisory fees. Typically, RRs are paid a percentage of the revenue he/she generates from sales of products and services. The percentage received can vary (usually between 55% to 95%) depending on his/her agreements with us and the investment product or service recommended, and can be more or less than what he/she would receive at another brokerage firm.

R Rs may receive non-cash compensation from investment sponsors that are not connected with a particular customer or investment. Compensation includes: gifts valued at less than \$100 annually, occasional dinners or tickets to an event, reimbursements connected with educational meetings or events for clients or representatives, or marketing services for identifying prospective customers. Payment or reimbursement may also be made for costs related to firm-sponsored events.

**How do MIAI's investment adviser representatives make money?** Our IARs receive compensation based on the amount of client assets they service. Certain IARs are dually-registered with MPLW, which means these representatives will also be compensated based on their activities as a RR (see the previous section for more information). These payments will include third-party and revenue sharing payments as described herein. As noted herein, these arrangements create conflicts of interest for our dually-registered representatives because it incentivizes them to recommend products of sponsors and managers that make these payments and/or share their revenue with us, over other products of sponsors or managers that do not make these payments and/or share their revenue, or who pay/share less.

**Do you or your representatives have a legal or disciplinary history?**

**Yes.** Visit <https://www.investor.gov/CRS> for a free and simple search tool to research our representatives and us.

**Conversation Starter. Ask your representative-**

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

**For additional information about our services,** please see MIAI's Brochure and the Advisory Master Disclosure at <https://maplewoodinvestments.com/disclosures>, and MPLW's Brokerage Master Disclosure at <https://maplewoodinvestments.com/disclosures>. You should also visit our website at <https://maplewoodinvestments.com>. If you would like additional, up-to-date information or a copy of this disclosure, please call 214.739.5677 or 888.440.6424.

**Conversation Starter. Ask your representative-**

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