

# CALTON

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Calton & Associates, Inc.  
Member FINRA, SIPC  
2701 N Rocky Point Drive, Suite 1000  
Tampa, FL 33607

# Calton & Associates, Inc., Client Information Brochure

This Brochure contains important information about your relationship with Calton & Associates, Inc. If you have any questions or concerns, please call your Financial Professional or our Compliance Department.

## Business Continuity Plan

Calton & Associates, Inc. has developed a Business Continuity Plan that describes how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

**Contacting Us** – If after a significant business disruption, you cannot contact us as you usually do at (813) 264-0440, you should call our alternative number (866) 306-9049 or go to our web site at [www.calton.com](http://www.calton.com) for alternate emergency contact information. If you cannot access us through those means, you should contact the clearing firm where your account resides for access to funds and securities, order entry, securities transfers and cash disbursement transactions. The contact numbers are:

Hilltop Securities, Inc.:  
(214) 859-1800 or (866) 797-5227

National Financial Services LLC:  
(800) 801-9942

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counterparty impact; regulatory reporting; and assuring our customers prompt access to their funds and securities.

Our clearing firms back up our important records in a geographically separate area. While every emergency situation poses unique

problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firms that their respective objectives are to restore their operations and be able to complete existing transactions and accept, new transactions and payments within four hours for most business disruption scenarios. Your orders and requests for funds and securities may be delayed during this period.

**Varying Disruptions** – Significant business disruptions can vary in their scope, such as only our firm, the office building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption where only our firm or the building housing our firm is affected, we will transfer our operations to a local site and expect to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business as soon as conditions allow. In either situation, we plan to resume business as quickly as possible, transferring certain critical functions to our clearing firms if necessary. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer’s prompt access to their funds and securities through Hilltop Securities, Inc. or National Financial Services LLC.

**For more information** – If you have questions about our business continuity plan, please contact us at (813) 264-0440.

## **Privacy Policy**

Preserving trust is a core value. We recognize that you expect us to protect the information you provide us and to use it responsibly. We are strongly committed to fulfilling the trust that is the foundation of your expectations. For that reason, we have adopted and adhere to the following policy regarding the privacy of your nonpublic personal information and personally identifiable information (collectively “Nonpublic Personal Information”).

### **Information that We Collect**

We may collect Nonpublic Personal Information from you or others, including your name, address, e-mail address, telephone numbers, Social Security Number, other information that permits us to contact or communicate with you, information about your financial situation including your employment or occupation, salary, assets, insurance and investment transactions, banking information, and other financial and tax information you may elect to supply to us.

### **How We Collect Information**

We collect this Nonpublic Personal Information through various sources, including:

- Information we receive from you on new account forms, fact-finding questionnaires, product and service applications, and other forms;
- Information we receive from you, in writing, electronically, through the telephone, or through our website, when you communicate with us or request information about our products and services;
- Your transactions with us, our affiliates, and those affiliated and unaffiliated product sponsors with whom we have selling agreements or other arrangements for the provision of services to you;
- Consumer reporting agencies; and
- Affiliated and unaffiliated product sponsors with whom we have selling relationships and whose products you own.

### **Information that We Disclose**

As permitted by law and as outlined in this policy, we disclose Nonpublic Personal Information to affiliates and unaffiliated third parties that provide services to us or with whom we have contractual relationships in order that we may carry out your directions and effectively and efficiently service your account. Examples of third parties with whom we may share your Nonpublic Personal Information include:

- Mutual fund companies, insurance companies, and other product sponsors in order to execute your investment and insurance purchases and sales and to allow for the servicing of your accounts;
- Clearing Agencies or other broker/dealers through whom we clear and settle your securities transactions;
- Companies providing account performance and/or reporting services on your accounts;
- Third party asset managers with whom we have relationships for the management of customer accounts;
- Banks and other financial institutions where our Financial Professionals are located and with whom we have arrangements for the marketing and sale of our products and services;
- Companies that provide services to us to assist with the maintenance of required books and records or to facilitate client mailings or publications on our behalf;
- State, Federal, and other regulatory and self-regulatory authorities as required by law or regulation;

- Other companies, associations, agencies, third parties, and institutions that provide services to us to more effectively and efficiently service your account; and those companies, associations, agencies, third parties, and institutions with which we or our Financial Professionals are licensees, registrants, or Members; and
- In certain situations, your Financial Professional when leaving our firm for another firm, as is outlined below. Where we share your Nonpublic Personal Information with third parties for the purposes noted above, we ensure that there are contractual agreements with the third party prohibiting their use and disclosure of that information for any purpose other than to carry out the purposes for which you disclosed the information or that such third party is prohibited by law from further sharing your information (such as regulators). Except under the circumstances outlined above, we will not share Nonpublic Personal Information with affiliated or unaffiliated third parties concerning our current or former customers for marketing purposes or otherwise.

### **Our Financial Professionals**

We recognize that our clients have elected to open accounts with us due to the efforts of our Financial Professionals. Because of the importance of your relationship with your Financial Professional, if he or she elects to leave our firm for another registered broker/dealer, we may allow them to take your information with them to the new firm, subject to the requirements or limitations of applicable law. If you do not want your Financial Professional to transfer this information from our firm to his or her new firm in order to continue servicing your account in the event he or she decides to leave our firm for another registered broker/dealer, please contact us at (813) 264-0440 to opt out of this information sharing.

### **Steps We Take to Protect Your Information**

We have security policies and procedures reasonably designed to prevent unauthorized use or access to your Nonpublic Personal Information. In addition to your Financial Professional and his or her office, your information is available to employees for various business purposes, such as processing or servicing transactions, and those fulfilling compliance, legal, or audit functions. Our computer systems utilize password protection to prevent access by unauthorized personnel, and we employ other physical, electronic, and procedural safeguards to ensure the protection of your Nonpublic Personal Information in accordance with state and federal privacy regulations.

## **Amendments to Our Privacy Policy**

When we make material amendments to our Privacy Policy, we will post an appropriate notice on our website. In addition, we may send you an amended version of our Privacy Policy through the mail.

## **Predispute Arbitration Clause**

**The Parties understand that the terms of this account include a dispute arbitration clause. By signing the New Account Application, the Parties agree as follows:**

- (i) The parties to this agreement are giving up the right to sue each other in court, including the right to trial by jury, except as provided by the rules of the arbitration forum in which the claim is filed;
- (ii) arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited;
- (iii) the ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings;
- (iv) the arbitrators do not have to explain the reason(s) for their award;
- (v) the panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry;
- (vi) the rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court; and
- (vii) the rules of the arbitration forum in which a claim is filed, and any amendments thereto, shall be incorporated in this agreement.

It is agreed that any controversy arising out of or relating to this New Account Application or the accounts established hereunder, shall be submitted to arbitration in accordance with the rules of the Board of Arbitration of the Financial Industry Regulatory Authority (FINRA). It is further agreed that the laws of the State of Florida will apply to any controversy arising out of or relating to this New Account Application or the accounts established hereunder. The parties understand that if a customer files a complaint in court against a member that contains claims that are subject to arbitration pursuant to a predispute arbitration agreement between the member and the customer, the member may seek to compel arbitration of the claims that are subject to arbitration. If the member seeks to compel arbitration of such claims, the member must agree to arbitrate all of the claims contained in the complaint if the customer requests. No person shall

bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this New Account Application except to the extent stated herein.

I have read and understand the predispute arbitration clause that appears above. I understand that I am entitled to a copy of this predispute arbitration clause and to receive a copy of the predispute arbitration clause from Calton & Associates, Inc. within 10 business days after I make that request and it is received by Calton & Associates, Inc. In addition, I have the right to request and to receive from Calton & Associates, Inc., the names of and information on how to contact or obtain the rules of all arbitration forums in which a claim may be filed under the this agreement. **In consideration of Calton & Associates, Inc. accepting an account for me/us, I/We agree to be bound by the Calton & Associates, Inc. predispute arbitration clause.**

## **Municipal Securities Rulemaking Board (MSRB) Investor Information**

Calton & Associates, Inc. is registered with the U.S Securities Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). The website address of MSRB is [www.MSRB.org](http://www.MSRB.org). An investor brochure that describes the protections that may be provided by MSRB's rules and how to file a complaint with an appropriate regulatory authority can be found at MSRB's website, at <http://msrb.org/~media/Files/Resources/MSRB-Investor-Brochure.ashx?la=e>

## **Investment Objectives and Risk Tolerance Definitions**

To ensure that you, the Client, and Calton & Associates, Inc. have a mutual understanding of the investment objective and risk tolerance terminology utilized on our account application, the terms and corresponding definitions are contained therein. If you have any questions about the meaning of the terms or definitions, please consult with your Financial Professional.

## Commissions and Other Fees<sup>1</sup>

Your Registered Representative or Investment Advisor will set the commissions or miscellaneous fees, if any, to be charged to you on security transactions reflected on your confirmation. You should consult your Registered Representative or Investment Advisor for details of his/her commission charges. Other customer charges and fees include:

Annual Custody Fee	\$50
IRA Annual Maintenance Fee	\$35
Wire Transfer	\$15
Returned Check Fee	\$35
Stop Payment Fee	\$25
Service Fee - all transactions (Processing, handling and insurance)	\$4.95
Trade & Margin Extensions	\$20
Mailgrams	\$15
Transfer & Ship Security (DRS Eligible)	\$50
Transfer & Ship Security (Non-DRS Eligible)	\$575
Legal Return	\$100
Legal Transfer	\$150
Physical Reorganization	\$175
Safekeeping Fee (monthly, per certificate)	\$35
Select Access with ACH and Bill Pay	\$20
Checking Upgrade	\$10
Visa Debit Upgrade	\$10
Premier Access Cash Management Account (includes Visa Premier Rewards Debit Card)	\$125
Metal Card Upgrade	\$10
Full Transfer of Accounts Delivery (ACAT Exit Fee)	\$150
IRA Termination Fee	\$125
IRS 990-T Service Fee (per event)	\$300
Foreign Securities Transfer	Pass through fees
Precious Metals Transfer & Delivery	Pass through fees

**Interest:** We reserve the right to charge interest on: (i) payments to you before the settlement date on securities; (ii) payments to you for securities sold where good delivery of securities has not been made; and (iii) on debit balances where payment has not been received from you on or before the settlement date on securities purchased.

**Foreign Asset Fee:** We are charged by our foreign depositories for account transfers and deposits of foreign securities. These fees will be passed along when incurred.

**Mutual Fund Transaction Fee:** Transaction fees may be charged for purchases and redemptions of mutual funds that are executed through NFS.

**Other Regulatory Fees:** A regulatory fee may be assessed on the sell side of all applicable securities transactions.

**Overnight Delivery:** AA fee will be assessed for Customer requested overnight delivery.

<sup>1</sup> Commission and fees are subject to change without notice. Please contact your Registered Representative or Investment Advisor with any questions.