

## CUSTOMER RELATIONSHIP SUMMARY – July 1, 2022

Johnson Rice & Company L.L.C. (“Johnson Rice”) is registered with the U.S. Securities & Exchange Commission as a broker-dealer that provides brokerage accounts and services. Brokerage services and fees differ and it is important for the retail investor (“you” or “client”) to understand the differences. Free and simple tools are available to research firms and financial professionals at: [www.investor.gov/CRS](http://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?

Johnson Rice allows brokerage account services to retail investors, but this is incidental to our primary business. Accounts may invest **exclusively** in listed equity securities. We offer our services as agent and charge a commission for the purchase and sale of securities. We do not offer recommendations, proprietary products, investment advisory services or any other securities products. This will limit your choices when making an investment. We do not have minimum account sizes or other limitations to open or maintain an account.

With a Johnson Rice account, you make the ultimate decision regarding the purchase or sale of investments. You are solely responsible for deciding how you want to invest, placing orders and monitoring your account. We do not offer continuous monitoring to client accounts. A limitation of our monitoring system is that it is not always performed by our investment professionals, but instead, client accounts are tested as part of an automated compliance process for adherence to investment guidelines.

#### **Conversation Starters:**

- *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?

You will pay \$25 per transaction unless the total amount of your transaction warrants a reduced charge at the discretion of the trading desk. In addition to and separate from the commissions charged for the purchase and sale of securities in your account, you typically will pay other costs and charges in connection with your account or securities transactions, most of which are payable to parties other than us. Common examples include exchange fees, taxes, costs associated with foreign exchange transactions, fees imposed in connection with your custodian, trustee or other account services and account service fees. Johnson Rice will also collect fees for margin loans based on current interest rates and your average margin loan balance.

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 as fully detailed in our **fee table** available at [www.jrco.com](http://www.jrco.com). We may charge you additional fees such as custodian fees, account maintenance fees, and account inactivity fees. The more transactions in your account, the more fees we will charge you. We therefore have an incentive to encourage you to engage in transactions.

#### **Questions to ask:**

*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? 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.

- We make money by purchasing or selling securities in your account. We make less money if you buy and hold securities for an extended period of time. Therefore, we have an incentive to recommend transactions.
- We offer only listed equity securities to our customers. You may be seeking other investments we do not offer. This creates a conflict of interest, and you may wish to seek those investments at another firm.

### **Questions to ask:**

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

## **How do your financial professionals make money?**

Our financial professionals are paid a percentage of the commissions generated by your account. For those financial professionals who are also employee owners (known as 'members') of the firm, these financial professionals are also eligible to receive a share of the firm's profits.

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

Yes. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. For additional information about our financial professionals, visit <https://brokercheck.finra.org/>

### **Questions to ask:**

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

**Additional information about our services:** If you have any questions about our brokerage services or if you wish to request a copy of our Relationship Summary, please contact [bmarcotte@jrco.com](mailto:bmarcotte@jrco.com). You can also call (504) 525-3767 for up-to-date information and request a copy of our Relationship Summary.

### **Questions to ask:**

*Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?*