

## Founders Capital Management, Inc. Relationship Summary

Founders Capital Management, Inc. (FCMI) is registered with the Securities and Exchange Commission as a Registered Investment Adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](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?”

FCMI offers investment advisory services to retail investors. Principal investment advisory services include customized investment management for individuals, high-net-worth individuals, associated trusts and estates, charitable organizations, pension and profit-sharing plans, and corporations or other legal entities. FCMI provides investment advice on a limited number of security types, and generally invests client assets in domestic and international stocks, bonds, mutual funds, exchange traded funds, warrant, certificates of deposit, and options. FCMI works with each client to determine the client’s individual needs, including investment objectives, risk tolerance, and desired return parameters, and to establish an appropriate investment profile. Clients choose from growth, balanced, and conservative strategies, and can impose reasonable restrictions on FCMI’s management of their accounts.

Accounts under FCMI’s management are monitored on a regular basis by the Investment Committee as part of our standard services. Reviews are made with regard to current financial market conditions, investment criteria, and each client’s particular investment requirements. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially. FCMI has discretionary authority over the majority its assets under management, meaning that we have the authority to decide which securities to purchase, sell, and/or retain for our clients. FCMI also manages a limited number of nondiscretionary accounts, meaning that the client makes the ultimate decision regarding the purchase or sale of investments. FCMI does not offer proprietary products. FCMI requires a minimum portfolio size of \$1 million, which can be comprised of multiple accounts. Based upon certain factors (such as account size, expected future additions, level of trading, and account complexity), minimum portfolio requirements may be negotiable and vary from client to client. For more detailed information about our services, you may request a copy of FCMI Form ADV, Part 2A brochure.

Conversation starter: “Given my financial situation, should I choose an investment advisory service? Why or why not?”

### “What fees will I pay?”

FCMI charges fees quarterly in arrears based on the account value at the end of the prior quarter, and clients authorize FCMI to deduct fees automatically from their brokerage accounts. FCMI management fees are based on the table below:

<u>Assets under management</u>	<u>Annual Fee</u>
First \$1,000,000	1.25%
Next \$1,000,000	0.80%
Amounts in excess of \$2 Million	0.60%

The more assets there are in your advisory account, the more you will pay in fees, and the firm may therefore have an incentive to encourage you to increase the assets in your account. 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 more detailed information about our services, you may request a copy of FCMI Form ADV, Part 2A brochure.

Conversation starter: “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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?”

Standards of conduct: FCMI is a fiduciary, meaning, when we 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 some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

Conflicts of interest: FCMI does not provide proprietary products and does not engage in third party payments or revenue sharing.

Conversation Starter: “How might your conflicts of interest affect me, and how will you address them?”

For more detailed information about our services, you may request a copy of FCMI Form ADV, Part 2A brochure.

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

FCMI financial professionals are compensated based on factors such as the amount of client assets they service, and the time and complexity required to meet a client’s needs. The more assets there are in your advisory account, the more you will pay in fees, and the firm may therefore have an incentive to encourage you to increase the assets in your account.

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

FCMI does not have any legal or disciplinary history. You may visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research firms and financial professionals.

Conversation Starter: “As a financial professional, do you have any disciplinary history? For what type of conduct?”

### **Additional Information**

To find additional information about FCMI, to request a copy of the relationship summary, or to request a copy of Form ADV, Part 2A brochure, please contact us at 713-877-1188, or send inquiries to 4400 Post Oak Parkway, Suite 2530, Houston, TX 77027.

Conversation Starter: “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?”