



## Regulation Best Interest (“Reg BI”)

### *Disclosure Brochure*

This guide summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

Brooklight Place Securities, Inc., (referred to as “Brooklight” or “we” or “our” or “us”) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). As a broker-dealer, Brooklight transacts business in various types of securities, including mutual funds, exchange-traded funds (ETFs), stocks, bonds, municipal securities, 529 college savings plans, variable annuities and other investment products.

Brooklight maintains a network of individuals, referred to as “Financial Professionals”, who offer brokerage services, investment advisory services, or both, depending on their licenses and registrations. Most of our Financial Professionals are independent contractors, although some are employees. Some of our Financial Professionals are investment adviser representatives (IARs) through third party, unaffiliated registered investment advisory firms. Although most Financial Professionals offer both brokerage and investment advisory services, some may only offer brokerage services. When you are discussing services with a Financial Professional, you should ask what capacity the Financial Professional is acting in or will be acting in when providing services to you (e.g., either as a broker-dealer registered representative and/or as an investment advisor representative of an unaffiliated firm). This disclosure brochure discusses important information regarding Financial Professionals who act as registered representatives of Brooklight Place Securities, Inc.

Like all financial services providers, Brooklight and our Financial Professionals have conflicts of interest. We are compensated directly by customers and indirectly from the investments made by customers. When customers pay us, we typically get paid an upfront commission or sales load at the time of the transaction and in some cases a deferred sales charge. If we are paid an upfront commission, it means that we are paid more by the more transactions a customer makes. When we are paid indirectly from the investments made by customers, we receive ongoing compensation, typically called a “trail” payment, for as long as a customer holds an investment. In addition, we receive compensation from the sponsors of some of the investment products that customers purchase through us. The amount we receive varies depending on the type of investment a customer makes. The compensation described in this disclosure brochure represents the maximum gain or profit we receive on an investment before subtraction of our expenses.

Please also note that not all the conflicts described in this disclosure apply to a particular Financial Professional, his/her services or all the products we sell. The types and amounts of compensation we receive may change over time and can vary. You should ask your Financial Professional if you have any questions about compensation, costs, fees, or conflicts of interest.

Please carefully review and consider the information in each section below.

*Brooklight Place Securities®, Inc. is a registered broker-dealer and a member of [FINRA](#) & [SIPC](#). It is registered and licensed to sell securities in all 50 states. For variable products, please contact us for more information. Brooklight Place Securities®, Inc. may only be presented by a properly appointed registered representative. Click here to view our [Business Continuity Plan](#) and our [Privacy Practices](#).*

## *Brokerage services*

Brooklight has a contractual agreement with [RBC Correspondent Services](#) (RBC<sup>1</sup>) to serve as our clearing firm. When you establish a brokerage account through us at our clearing firm, you can buy, sell and hold investments within your account. The primary service we provide through RBC, is our trading capability. We execute purchases and sales on your behalf, and as directed by you, in which we earn a profit. The capacity in which we act is disclosed on your trade confirmation(s) as well as your [Account Application](#).

### **Clearing Agreement**

We have entered into an agreement with RBC to carry your account and provide certain back office functions. We and the clearing firm share responsibilities with respect to your account. For more information, you may refer to your [RBC New Account Form](#).

### **Brokerage Account Type(s)**

We offer a variety of different brokerage account types including:

- individual and joint accounts,
- estate and trust accounts,
- 529/ESA accounts,
- individual retirement accounts, and
- Custodial or UTMA/UGMA minor accounts

You should refer to our account agreement(s) for more information concerning available account types or speak with your Financial Professional.

### **RBC Cash Plus Program**

Our brokerage services include a cash sweep program feature through RBC. This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically “swept” into a “Cash Sweep Vehicle,” until such balances are otherwise required to satisfy obligations arising in your account. These Cash Sweep Vehicles include interest-bearing deposit accounts, and if permissible, money market mutual funds or such other sweep arrangements made available to you. For more information about RBC’s current Cash Sweep Program please see their [Program Terms and Conditions](#) and [Program Interest Rates](#).

### **Brokerage Account Services & Monitoring**

Within your brokerage account, we may provide incidental services such as recommendations to buy, sell, or hold assets. When we make a securities recommendation, investment strategy recommendation or recommendation to rollover assets from your Qualified Retirement Plan (QRP) to an Individual Retirement Account (IRA), the recommendation is made in our capacity as a broker-dealer unless otherwise stated at the time of the recommendation. If this is unclear, you should ask your Financial Professional, in which capacity they are working with you in. Moreover, when we act in a brokerage capacity, we do not agree to enter into a fiduciary relationship with you.

It is important for you to understand that when our Financial Professionals make a brokerage recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor the investments in your brokerage account, and we encourage you to do so regularly. We do not commit to

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<sup>1</sup> RBC Correspondent Services, a division of RBC Capital Markets, LLC, Member [NYSE](#) / [FINRA](#) / [SIPC](#)

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provide on-going monitoring of your brokerage account. If you prefer on-going monitoring of your account or investments, you should speak with a Financial Professional about whether an advisory services relationship is more appropriate for you.

Please also consider that from time to time we may provide you with additional information and resources to assist you with managing your brokerage account or other investments. This may include but is not limited to educational resources, sales and marketing materials, performance reports, asset allocation guidance, and/or periodic brokerage account reviews. When we offer these services and information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings in your brokerage account, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular securities in your brokerage account. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

#### **Account Minimum/Account Activity**

There is no minimum initial account balance required to open a brokerage account with us. However, if you either fail to fund your account or do not return account opening documents as required, your account may be closed. In addition, some types of brokerage accounts have minimum account activity requirements and/or minimum on-going balance requirements that must be maintained. You should also understand that your Financial Professional may establish their own minimum account balance requirements for the brokerage accounts they service. For example, a dedicated Financial Professional may choose to service only those brokerage account clients who satisfy account-specific or total household asset conditions. Minimum asset requirements are disclosed to you orally by your Financial Professional.

#### **Account & Services Fees**

You will pay fees for various operational services provided to you through your brokerage account. These fees are set at least annually and communicated to you through information included in your account statement and other notifications. These fees do not apply to all account types and may be waived under certain conditions. You should understand that based on the brokerage service model you choose, the same or similar products, accounts and services may vary in the fees and costs charged to you.

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## *Commissions, Fees and Other Types of Sales Compensation*

Brooklight receives upfront **transaction-based fees**, also known as commissions, when it executes transactions that result in the purchase or sale of a security. A commission, which is sometimes referred to as a sales load, sales charge, mark up or placement fee, is typically paid at the time of the sale and can reduce the amount available to invest or can be charged directly against an investment. Commissions are often based on the amount of assets invested. We receive the sales charge or commission and shares it with your Financial Professional. In some cases, a portion of the sales charge or commission is retained by the investment's product sponsor<sup>2</sup>. Commissions vary from product to product, which creates an incentive to sell a security with a higher commission rather than a security with a lower commission. The maximum and typical commission for common investment products are listed below as a convenience, but it is important you review each product's prospectus and subscription paperwork to fully understand fees associated:

- **Equities and Other Exchange Traded Securities:** The maximum commission charged in an agency capacity on an exchange traded security transaction, such as an equity or an ETF, is up to 100% of the transaction amount. The commission amount decreases as the size of the transaction amount increases according to a fee schedule. In addition, your Financial Professional can decide to discount the commission amount to a minimum of \$40 per transaction.
- **Mutual Funds and 529s:** The maximum commission or sales charge permitted under applicable rules is 5.75%.
- **Annuities:** The maximum upfront commission paid for new annuity sales is typically 7%, but may vary depending on the time purchased, and type of annuity, such as fixed, fixed index, traditional and variable annuities.

### **Subscription-Way Compensation<sup>3</sup>**

Brooklight and our Financial Professionals receive compensation from investment product sponsors on the investments you make in securities such as direct mutual funds, 529 college savings plans and annuities. Some of this compensation is commonly known as "trail compensation" in which Brooklight and our Financial Professionals receive ongoing compensation from certain investment products under a distribution or servicing agreement with the product sponsor. The more assets you invest in the product, the more we will be paid in these fees, therefore we have an incentive to encourage you to increase your account size. Furthermore, the volume of trails received varies by product type and sponsor, therefore creating an incentive to recommend a product that pays a higher trail over a lower trail. For more information about trail compensation received with respect to a particular investment, please refer to the prospectus or offering paperwork for the specific investment you're planning to invest in. Below is a general disclosure of the trail compensation ranges charged to you and received by Brooklight and your Financial Professional:

- **Mutual Funds & 529 Plans:** The ongoing payment depends on the class of shares but may range between 0.25% and 1.25% of assets on an annual basis.
- **Annuities:** The ongoing payment depends upon the agreement between Brooklight and the issuer. The maximum trail payment for annuities is generally 1.25%.

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<sup>2</sup> Product Sponsor means an insurance, variable annuity or Investment Company that provides Funding Vehicles available to Participants under this Plan.

<sup>3</sup> "Subscription-way" is a common procedure whereby the check used to purchase securities is made payable to the issuer (or other third party) and is forwarded by the selling broker-dealer to the issuer or the issuer's agent.

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# *Financial Professional Compensation*

Financial Professionals are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients, including brokerage account activity. This compensation varies by the product or service associated with a brokerage recommendation. In addition to upfront **transaction-based** compensation, some products feature on-going residual or “trail” payments. Thus, Financial Professionals are incentivized to recommend products that have higher fees as well as those with on-going payments. We generally compensate our Financial Professionals pursuant to an independent contractor agreement, and not as employees. Described below are common compensation arrangements and other benefits that independent contractors of Brooklight may receive:

## **Cash Compensation**

Brooklight typically pays a Financial Professional a percentage of the revenue he/she generates from the sale of products and services. The percentage received can vary depending on his or her agreements with us and the investment products or services recommended and may be more or less than what he/she would receive at another brokerage firm. The payments may vary based on the amount of assets serviced or revenue generated by the Financial Professional, such that the greater the production the greater the payout. When compensation is based on the level of production or assets, the Financial Professional has a financial incentive to meet those production or asset levels. In some cases, Brooklight may provide compensation to branch managers based on sales of products and services in their branch. In some cases, Financial Professionals pay a portion of their compensation to their branch manager or another Financial Professional for supervision and/or administrative or sales support. There is a conflict of interest because the compensation affects the branch manager’s ability to provide objective supervision of the Financial Professional.

## **Fees Charged to Financial Professionals**

Brooklight charges Financial Professionals various fees under its independent contractor agreement for, among other things, trade execution, administrative services, insurance, supervision, technology, and licensing. Depending on the situation, these fees make it more or less profitable for the Financial Professional to offer and recommend certain services or products over others. In certain cases, these fees are reduced based on the Financial Professional’s overall business production or the amount of assets serviced by the Financial Professional, which gives the Financial Professional an incentive to recommend that you invest more in your account or engage in more frequent transactions. Transaction fees charged to your Financial Professional can also vary depending on the specific security that the Financial Professional recommends.

## **Operational Assistance & Recruitment Compensation**

If a Financial Professional recently became associated with Brooklight after working with another financial services firm, he/she may have received a higher commission level and other benefits from us in connection with the transition. In many cases, this transition assistance may include enhanced commission payouts from us or reimbursement of expenses that are commonly intended to assist a Financial Professional with costs associated with the transition.

## **Financial Professional’s Outside Business Activities**

Financial Professionals are permitted to engage in certain pre-approved outside business activities other than the provision of brokerage services through Brooklight, and in certain cases, a Financial Professional receives more compensation, benefits and non-cash compensation through the outside business than they receive from us. Some Financial Professionals are accountants, real estate agents, insurance agents, tax preparers, or lawyers, and some Financial Professionals refer customers to other service providers and receive referral fees. If you engage with a Financial Professional for services separate from services offered by Brooklight, you may wish to discuss with him/her any questions you have about the compensation he/she receives from the engagement.

**Additional information** about your Financial Professional’s outside business activities is available on FINRA’s website at <http://brokercheck.finra.org>.

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## *Third Party Compensation*

### **Field Marketing Organizations (“FMO”)**

A Field Marketing Organization (“FMO”) works with insurance companies to market their products. Brooklight has agreements with FMOs in which it receives compensation (commonly referred to as an override) from the FMO on the sale of various insurance products. Such compensation is paid to us from the FMO and the FMO is paid by the insurance provider. This compensation may vary based on the type of investment product, the sponsor company used and the amount of assets you invest.

## *Conflicts of Interest & Other Compensation*

Conflicts of interest exist when we provide brokerage services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you. We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest:

### **Limitations on Services & Offerings**

Brooklight and our Financial Professionals offer and recommend investment products only from investment sponsors with which we have entered into selling and distribution agreements with. Other firms may offer products and services not available through Brooklight and/or they may offer the same or similar investment products and services at lower cost than us. In addition, Brooklight 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 Financial Professionals may also be more limited than what is available through other Financial Professionals. A Financial Professional's ability to offer individual products and services depends on his/her licensing, training, or branch office policy restrictions. For example, a Financial Professional maintaining a Series 6, Series 63 and Life Insurance Agent license is limited to providing investment company securities, such as mutual funds and variable annuity contracts. A Financial Professional maintaining a Series 7, Series 63 and Life Insurance Agent license is able to provide solutions including all securities available for sale by a Series 6 representative as well as individual

stocks and bonds, among others. As another example, a Financial Professional may only be licensed to provide brokerage services, and not advisory services, or vice versa. You should also review the licenses held by your Financial Professional by visiting the FINRA *BrokerCheck* system at: <http://brokercheck.finra.org>.

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**Error Correction**

In the event a trade error takes place and is the cause of Brooklight or one of our Financial Professionals, we will cancel the trade and remove the resulting monetary loss from your account. If a trade correction is required as a result of a customer (e.g., if a customer does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), Brooklight will cancel the trade and any resulting monetary loss will be borne by the customer. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the account and may result in a financial benefit to Brooklight.

**Rollovers**

In the event you choose to roll assets out of a retirement plan, such as a 401(k) plan, and into an individual retirement account (IRA), we have a financial incentive to recommend that a customer invests those assets with us, because we will be paid on those assets. A customer should be aware that such fees and commissions may likely be higher than those the customer pays through the plan, and there can be custodial and other maintenance fees associated. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan.

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## *Conflicts Related to Our Contractual Relationships*

### **Interactive Financial Advisors, Inc.**

Interactive Financial Advisors, Inc. (“IFA”) is a SEC registered Investment Adviser that is independently owned and operated from Brooklight, however, some of our Financial Professionals are dually registered with IFA, meaning they are able to offer investment advisory services to you, through our selling agreement with IFA. This arrangement creates an incentive for us and/or our Financial Professionals to refer customers to IFA for investment advisory services. For more information about IFA, please review their [ADV Part 2A Firm Brochure](#) or request a free copy of their [Client Relationship Summary](#). You can also visit their website at: <https://www.someonewhocares.com/>.

### **Acrylic Financial, Inc.**

Acrylic Financial, Inc., (“Acrylic”) is a SEC registered Investment Adviser that is independently owned and operated from Brooklight, however, some of our Financial Professionals are dually registered with Acrylic, meaning they are able to offer investment advisory services to you, through our selling agreement with Acrylic. This arrangement creates an incentive for us and/or our Financial Professionals to refer customers to Acrylic for investment advisory services. For more information about Acrylic, please review their [ADV-Part 2A Brochure](#) or request a free copy of their [Client Relationship Summary](#). You can also visit their website at: <https://www.acrylicfinancial.com/>.

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## *Other Disclosures Resources:*

Title	Link
Brooklight – Client Relationship Summary (“Form CRS”)	<a href="http://https://brooklight.com/application/files/3115/9345/3580/CRS_-_Brooklight_Client_Relatio_nshp_Summary_2020.pdf">http://https://brooklight.com/application/files/3115/9345/3580/CRS - Brooklight_Client_Relatio_nshp_Summary_2020.pdf</a>
Brooklight – Account Application	<a href="https://brooklight.com/download_file/view/34/217">https://brooklight.com/download_file/view/34/217</a>
Brooklight – Regulation Best Interest Disclosure (“Reg BI”)	
Brooklight – Variable Annuity Disclosure Form	<a href="https://brooklight.com/application/files/6115/5491/4755/VA-Suitability-Disclosure-Form.pdf">https://brooklight.com/application/files/6115/5491/4755/VA-Suitability-Disclosure-Form.pdf</a>
Brooklight – Mutual Fund Disclosure Form	
Brooklight – List of Sponsors & Issuers	<a href="https://brooklight.com/application/files/8515/5608/2257/ApprovedPanelProviders.pdf">https://brooklight.com/application/files/8515/5608/2257/ApprovedPanelProviders.pdf</a>
RBC – New Account Form	
RBC – Cash Sweep Program	

Thank you for your interest in Brooklight Place Securities®, Inc.

Please contact your Financial Professional with any account-related inquiries. If you have any questions about this disclosure brochure, please call Brooklight Place Securities®, Inc. at (888) 976-0659, Monday through Friday between 8:00am and 4:00pm (Central). If you wish to send us a note, you may use the following mailing address:

*By signing the below, I acknowledge that I have read through this document and understand my relationship with both my broker as well as my brokerage.*

**Printed Name**

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**Date**

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**Signature**

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