

# Form CRS

June 30, 2020

## Which Type of Account is Right for You — Brokerage, Investment Advisory or Both?

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. Depending on your needs and investment objectives, we can provide you with services in a brokerage account or investment advisory account. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information.

**Introduction:** **CASCADE INVESTMENT GROUP, INC.** is registered with the Securities and Exchange Commission as a broker-dealer and an investment advisor and is a member FINRA/SIPC\*. Fees for brokerage and investment advisory services differ and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing. \*You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC. For details, please see [sipc.org](http://sipc.org).

### What investment services and advice can you provide me?

We offer a variety of both brokerage and investment services to retail investors. It is important that you discuss your options with your financial advisor to determine which type of services are most appropriate for you.

#### **Our accounts and services fall into two categories:**

<b><i>Broker-Dealer Services - Brokerage Accounts</i></b>	<b><i>Investment Advisor Services - Advisory Accounts</i></b>
<ul style="list-style-type: none"><li>• We do not require a minimum account size or investment amount to establish a brokerage account.</li><li>• We do not have proprietary products. We are able to provide a variety of investment products and types.</li><li>• The types of brokerage services we engage in includes buying and selling corporate equity securities; corporate debt securities; mutual funds; U.S. government securities; municipal securities; and options; selling variable life insurance or annuities; college savings plans; and special-needs saving plans.</li><li>• As a broker-dealer, we take your orders and execute your securities transactions, as well as make recommendations for you to sell, buy or hold securities and will execute the transactions. <b><u>You</u></b> make the ultimate decision regarding the purchase or sale of investments.</li><li>• <b><u>Unless we agree otherwise, we do not monitor your account on a continuous basis.</u></b></li></ul>	<ul style="list-style-type: none"><li>• We do not require a minimum initial and ongoing account size for portfolio management services.</li><li>• We offer wealth management services to retail investors, which include financial planning; insurance; consultation services; and portfolio management services where we act as a sponsor and portfolio manager to a wrap fee program.</li><li>• We provide periodic advice and reviews regarding your investment goals and objectives, personal balance sheet, tax planning, risk management, retirement, education, cash flow and investment planning.</li><li>• In our portfolio management, <b><u>we will continuously monitor your investment accounts and provide advice.</u></b></li><li>• In your investment advisory agreement with us, you have the option to give us discretion to determine the investments to buy and sell or you may retain discretion and make the ultimate decision regarding the investments we purchase or sell on your behalf. You may impose reasonable restrictions on any discretionary authority you provide, which must be in writing and accepted by us.</li></ul>

<ul style="list-style-type: none"> <li>• If you open a brokerage account, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy or sell an investment.</li> <li>• Our clearing firm, RBC Capital Markets, LLC will deliver, no less than quarterly, your account statements in paper or electronic format.</li> <li>• We offer a variety of investments. Other firms could offer a wider range of choices, some of which might have lower costs.</li> <li>• We must act in your best interest and do not place our interests ahead of yours when we recommend an investment or an investment strategy involving securities. Our interests can conflict with your interests. When we provide recommendations, we must either eliminate these conflicts or tell you about them and, in some cases, if able, reduce them.</li> </ul> <p><i>Given my financial situation, should I choose an advisory account or a brokerage account? Should I choose both types of services? Why or why not?</i></p> <p><i>How will you choose investments to recommend to me depending on my account type?</i></p>	<ul style="list-style-type: none"> <li>• We will offer you advice on a regular basis. We will discuss your investment goals and design a strategy with you to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or email) at least annually to discuss your portfolio.</li> <li>• Our clearing firm, RBC Capital Markets, LLC will deliver, no less than quarterly, your account statements in paper or electronic format.</li> <li>• Other firms could provide advice on a wider range of choices, some of which might have lower costs.</li> <li>• We must act in your best interest and not put our interests ahead of yours. Our interests can conflict with your interests. When we manage your account, we must eliminate these conflicts or tell you about them in a way you can understand, so that you can decide whether or not to agree to them.</li> </ul> <p><i>Given my financial situation, should I choose an advisory account or a brokerage account? Should I choose both types of services? Why or why not?</i></p> <p><i>How will you choose investments to recommend to me or invest for me depending on my account type?</i></p>
<p><b>What fees and costs will I pay?</b> Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay. 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.</p>	
<ul style="list-style-type: none"> <li>• Transaction-based fees. We charge a transaction-based fee (sometimes referred to as a commission) every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested</li> <li>• The more you trade, the more fees we receive; so, there is an incentive to encourage you to trade often.</li> <li>• With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a “mark-up” or “mark down”).</li> <li>• With mutual funds, this fee (typically called a “load”) reduces the value of your investment.</li> </ul>	<ul style="list-style-type: none"> <li>• If you open an advisory account, you will pay an on-going asset-based fee for our services. We charge a percentage of assets under management for our portfolio management services. These fees are assessed on a quarterly basis, in advance. You should be aware that the more assets in your account, the more you will pay in fees. This means we have an incentive to encourage you to increase the assets in your account.</li> <li>• Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. The asset-based fee reduces the value of your account and will be deducted from your account.</li> </ul>

- Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as “surrender charges” to sell the investment.
- Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what type of account you have with us.
- Our clearing firm will charge you additional fees, such as annual account fees, shipping and handling fees, and possibly alternative investment fees, TOD fees, and checking account fees if you choose those services.
- [Please click here](#) or refer to our [Reg BI Disclosure](#) for additional information about our brokerage services conflicts of interest.

- Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.
- You pay our fee quarterly even if we do not buy or sell securities.
- If you only request consultation services, we charge hourly fees for which we invoice you for after we complete our engagement. This fee does not include fees for implementing recommendations made. This means we have an incentive to recommend additional services to you for which additional fees are charged.
- Our clearing firm will charge you additional fees, such as annual account fees, shipping and handling fees, and possibly alternative investment fees, TOD fees, and checking account fees if you choose those services.
- [Please click here](#) or carefully review our [Form ADV, Part 2A Firm Brochure](#), particularly Item 5, or our [Part 2A Appendix 1 Wrap Fee Brochure](#), to understand the fees and costs you will pay.

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment advisor? 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 advisor, 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 and investment advice, we provide you. Here are some examples to help you understand what this means.**

- No Ticket Fee (NTF) program. We purchase mutual funds and exchange-traded funds in an NTF program. This means we do not pay clearing fees for those transactions. Your broker or advisor has a financial incentive to use this program rather than recommend other securities that are available to you.
- Mutual Fund Share Class Selection. Many mutual funds offer multiple share classes, including those expressly designed for, or made available to you in fee-based advisory programs. When we use the NTF program above, this is not always the lowest share class available and you should not assume it is. Since mutual fund fees and expenses are paid from fund assets, higher fees and expenses result in lower returns.
- Mutual Fund 12b-1 Fees. If you open a brokerage account, we receive 12b-1 fees from mutual funds in which you are invested. This means we have a financial incentive to recommend certain investments to you. (If you open an investment advisory account, any 12b-1 fees are rebated monthly back to you.)
- Our investment personnel can invest in the same securities as clients. This creates a risk that employees may receive better pricing for personal benefit.
- Conflicts of Interest Related to RBC. We use RBC Capital Markets, LLC (RBC) as our clearing company to execute all equity and fixed income trades for our clients’ accounts; commission, advisory or transaction-by-transaction business. We are a separate and unrelated business from RBC.

- Revenue Sharing Payments. Under the terms of our clearing agreement with RBC, our firm receives monthly revenue sharing for the RBC Bank Deposit Program (BDP); margin interest; and the RBC Money Market Fund rebate. These revenue sharing payments to our firm are additional income and will not offset or reduce, your transaction fees, commissions, or investment advisory quarterly fees.
- Other Fees/Service Charges per Trade Transactions. All your trades, except mutual fund transactions, will have an “Other Fees/Service Charge” annotated on the trade confirmation. This charge is \$7.50 and is subject to change without notice. This fee is divided as follows: \$3.00 is retained by RBC for processing expenses. \$4.50 is credited to our firm. This is additional compensation paid to our firm.
- Registered Insurance Agent. We receive additional compensation for providing insurance services to you. We have an incentive to recommend and provide these other services to you.
- Conflicts of Interest due to Majority Stock Ownership of Firm by Bank. Our firm is majority-owned by Eastern Colorado Bank. We do not receive additional compensation if you are referred to us from the bank for our services. We do not pay the bank for referrals.

*Help me understand how these fees and costs might affect my investments. If I give you \$50,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

*How much would I expect to pay per year for an advisory account? How much for a typical brokerage account? What would make those fees more or less? What services will I receive for those fees?*

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

*What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

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

Yes. Please visit [Investor.gov](http://Investor.gov) or [BrokerCheck.Finra.org](http://BrokerCheck.Finra.org) for free and simple search tools to research our firm and our financial professionals. For additional information about our brokers and services visit our website [ciginc.net](http://ciginc.net)

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

**Additional Information.**

*Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer?*

*Who can I talk to if I have concerns about how this person is treating me?*

*You can find additional up-to-date information about our services and request a copy of our Relationship Summary by contacting Dana Capozzella, Chief Compliance Officer at 719-632-0818 or by email to [dcapozzella@ciginc.net](mailto:dcapozzella@ciginc.net).*

*If you have a problem with your investments, account or financial professional, contact our Chief Compliance Officer Dana Capozzella at 719-632-0818 or [dcapozzella@ciginc.net](mailto:dcapozzella@ciginc.net).*

*To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC’s toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, 240-386-4357.*