

First Financial Equity Corporation Customer Relationship Summary

Introduction

First Financial Equity Corporation (“FFEC”) is a full-service broker-dealer registered with the U.S. Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). FFEC is also an SEC registered investment adviser.

FFEC offers retail investors the ability to engage in brokerage services and investment advisory services, each of which offers different services and fees. It is important that you understand the differences between these two offerings. Please note that your FFEC financial professional may offer some or all of the services described herein based on various factors including the licenses he/she holds.

Free and easy to use tools are available at <https://www.investor.gov/CRS> to research firms and financial professionals. The site also provides educational materials about broker-dealers, investment advisers, and investing.

What Investment Services and Advice Can FFEC Provide You?

FFEC offers broker-dealer and investment advisory services to retail investors. Please read the description below and discuss the best option(s) for you with your financial professional.

Brokerage Services: FFEC offers brokerage services to retail investors through Hilltop Securities, Inc. (“HTS”). The brokerage services FFEC offers are as follows:

- Assist you with the establishment of an account or accounts through HTS, who holds your assets;
- Provide securities recommendations, if you desire this service, and enter orders on your behalf either based on your financial professional’s recommendations (“solicited orders”) or based on your own determinations (“unsolicited orders”); and
- Assist you with account administration.

FFEC also offers the ability to purchase shares of certain securities directly through the product provider.

FFEC and its financial professionals are not considered fiduciaries for activities that occur in brokerage accounts. Although FFEC’s financial professionals may give you advice as to securities to purchase, hold or sell, FFEC does not provide regular account monitoring services through the brokerage services offerings.

Investment Advisory Services: FFEC offers advisory services through FFEC financial advisors and through select third-party investment advisers. Generally, FFEC requires a minimum account size of \$25,000 in order to provide investment management services.

The investment advisory services that FFEC offers are as follows:

- Assist you with the establishment of accounts and account maintenance;
- Investment management services through your financial professional or through certain select third-party investment advisers, both with external custody of customer assets;
- Offer discretionary asset management (you do not pre-approve trading activity) or non-discretionary asset management (you are provided recommendations for your review and decision);
- Account monitoring services for accounts managed by FFEC financial advisors a minimum of annually; and
- Combined asset management and brokerage services through a wrap program.

Questions you may want to ask your financial professional:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both services? 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?

The fees that you will pay depend on whether you select brokerage services or investment advisory services as well as based on the products or services selected. 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. If you have any questions, please discuss with your financial professional.

Brokerage Services Fees

Commissions and Markups/Markdowns: Whenever you enter a securities transaction, you will pay either a commission or a markup/markdown (for certain fixed income securities). The amount of commissions or markup/markdown charged may vary by customer and by other factors including the size of the order and type of product. Please discuss the fees you will be charged with your financial professional.

Mutual Fund Loads and Contingent Deferred Sales Charges: Mutual funds typically charge an upfront sales charge (such as Class A shares) or a Contingent Deferred Sales Charge (sales charge when you sell your mutual fund shares such as Class B shares). FFEC is paid a fee each time you purchase or sell a mutual fund. These fees reduce the amount of money you invest in the mutual fund and reduces the amount of money you receive when selling a mutual fund.

Other Mutual Fund Fees: 12b-1 fees are fees charged to you annually by mutual fund companies. 12b-1 fees are paid to FFEC to compensate FFEC for either the purchase of the mutual fund (such as for Class C shares) or for ongoing account administration with respect to your investment. Mutual funds also charge other fees which may include a management fee, administration fee, or other fees. *Please read the prospectus for the mutual fund you are considering in detail.*

Exchange-Traded Funds – In addition to a commission, you will be charged fees from the ETF which may include a management fee, administrative fee or other fee. *Please read the product prospectus for more information on the structure, costs and risks.*

Other Products Sold by a Prospectus/Offering Circular: Certain products, such as variable annuities and alternative investments (including real estate investment trusts, oil and gas limited partnerships, and certain debt offerings). These types of products charge you fees which may include dealer concessions, management fees, and other fees. *Please read the product prospectus or offering circular in detail; it describes the structure of the product, the costs, and the risks.*

Other Fees: You will be charged other fees by FFEC and/or other broker/dealers which include annual maintenance fees, postage fees, etc. If your order to purchase a security is processed directly through the product provider (certain mutual fund trades), they may charge account fees. Please discuss the costs with your financial professional and read the account opening documents and agreements in detail.

Investment Advisory Fees

Investment Management Fees: For investment management services, including wrap programs, you are charged an ongoing fee, typically a percentage of the assets under management. Wrap program fees are

more expensive than typical asset-based advisory fees as they include many transaction costs and fees.

Mutual Fund Fees: Mutual funds we offer in investment advisory accounts are no-load or are purchased at net asset value. Mutual fund companies charge fees which may include 12b-1 fees, management fees, administrative fees, and others. *Please read each mutual fund prospectus to determine the costs.*

Other fees: Investment advisory accounts are subject to additional fees including fees charged by FFEC and your custody broker/dealer. See the Part 2A of FFEC's Form ADV and the account opening documents and agreement for more information on the fees that will be charged.

Third-party investment managers: In addition to being charged a percentage of assets under management, you may incur additional fees including mutual fund product fees, exchange traded fund fees and custodial fees. Please read the prospectus for the products to be invested in as well as the account opening documents and Part 2A of Form ADV for FFEC and the third-party money manager for more details.

Variable Annuity: For variable annuity sub-account management (discretionary or non-discretionary), you will be charged a percentage of the sub-accounts. Please note that variable annuities may charge internal fees and expenses to you including contingent deferred sales charges, early redemption fees, and mortality charges. Please read the variable annuity prospectus for a detail description of structure, costs and risks.

Financial Planning and Consulting Fees: For financial planning and consulting services you may be charged an hourly fee or flat fee. Please discuss the costs of the services you require with your financial professional.

Question you may want to ask your financial professional:

- *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 FFEC's legal obligations to me when providing recommendations as my broker/dealer or when acting as my investment adviser? How else does your firm make money and what conflict of interest do you have?

When we provide you with a recommendation as your broker-dealer, or 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

For brokerage accounts, FFEC and its financial professionals have a financial incentive to encourage you to open brokerage accounts and to transfer assets so that you will trade securities and pay commissions or markups/markdowns. There is also a financial incentive to encourage you to trade frequently and to invest in securities that have greater compensation (such as variable annuities, variable annuities with added riders, higher cost mutual fund share classes, and alternative investments). There is a financial incentive to encourage you to authorize in writing that your financial professional use investment discretion (allows the financial advisor to trade securities without pre-clearance from you), to open a margin account, to transfer your retirement plan to an account managed by FFEC, and to open an options account.

For investment advisory accounts, FFEC and its financial professionals have a financial incentive for you to open investment advisory accounts and to transfer assets so that you will pay the advisory fee, to recommend that inactive customers open investment advisory accounts, and to transfer securities from a brokerage account where FFEC and the financial professional already earned a commission or markup/markdown to an investment advisory account.

Question you may want to ask your financial professional:

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

How do your financial professionals make money?

Brokerage Services: For transactions in securities, the financial professional receives a percentage of the commission or mark-up/markdown charged to you. If the product is sold by prospectus/offering circular, the financial professional will receive a percentage of the dealer concession, mutual fund load or contingent deferred sales charge. Different products provide different levels of compensation to the financial advisor. For example, a stock commission is lower than the commission charged to you on a variable annuity or an alternative investment. Financial professionals also receive a percentage of 12b-1 fees and other fees (see description under *What fees will I pay?*).

Investment Advisory Services: For investment advisory services, your financial professional earns a percentage of the advisory fees charged to you. The financial professional's compensation will vary due to a number of factors including the services selected, the product provider selected if utilizing investment management services and the different levels of fees charged to customers. Financial professionals also receive a percentage of 12b-1 fees or other fees (see description under *What fees will I pay?*)

Other forms of compensation: FFEC and certain financial professionals make additional income based on the profitability of an office or offices which includes income based on customer margin interest charges, interest income based on customer credit balances, brokerage services fees and investment advisory fees. Financial professionals may also receive indirect benefits (educational trips, merchandise, etc.).

Does FFEC or your financial professionals have legal or disciplinary history?

Yes, there is a disciplinary history for FFEC and certain of our financial professionals. Please go to <https://www.investor.gov/CRS> for a free and simple tool to research FFEC and your financial professional(s).

Questions you may want to ask your financial professional:

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

Additional Information

For more complete information on our investment advisory offerings, including services, fees, and conflicts of interest, please read Part 2A of FFEC's Form ADV, which is available on our web site www.FFEC.com, or request a copy from your financial professional. If you are investing through an outside money manager, please also read their Part 2A of Form ADV, a copy of which can be obtained through your financial professional.

For products sold by a prospectus or offering circular, including mutual funds, variable annuities and alternative products, please review the prospectus/offering circular in detail for a description of the structure, risks, and fees associated with the product.

Please review the account opening documents and agreements provided by FFEC and the custodian (firm which will hold your assets) which describes additional fees and costs which may include account maintenance fees, transactions fees, processing fees, margin interest fees, and other fees.

You may also call (480) 951-0079 to request up to date information and request a copy of FFEC's latest Customer Relationship Summary ("CRS"). A current copy also available at www.FFEC.com.

Questions you may want to ask your financial professional: Who is my primary contact person? Is he/she a representative of an investment adviser or broker/dealer?

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