

Form CRS – Sigma Financial Corp. / Parkland Securities, LLC / Sigma Planning Corp.

Item 1 – Introduction: Sigma Planning Corporation (“SPC”) is an SEC-registered investment adviser that provides investment advisory services. SPC is affiliated with Sigma Financial Corporation (“Sigma”) and Parkland Securities, LLC (“Parkland,” and together with Sigma and SPC, “we,” “our,” or “us”), both of which are SEC-registered broker-dealers. Many of SPC’s representatives are licensed to provide brokerage services through Sigma or Parkland, just as many of Sigma’s and Parkland’s representatives are licensed to provide advisory services through SPC. This Form CRS pertains jointly to Sigma, Parkland, and SPC, all of which are affiliates under common ownership, operation, and control. This Form CRS is also available online.

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.

Item 2 – Relationships and Services

What investment services and advice can you provide me?

Sigma and Parkland can provide you brokerage services. Such services include buying and selling securities in their capacity as introducing broker-dealers, either in a brokerage account or through accounts held directly with a product issuer. They can recommend and effect securities transactions for you, but you make the ultimate decision regarding the purchase or sale of investments. While Sigma and Parkland remain available to assist you, after effecting a securities transaction for you (including those they recommend to you), they do not monitor your account. Sigma and Parkland do not offer any investments issued, sponsored, or managed by them or their affiliates. Although Sigma’s and Parkland’s financial professionals can offer most products or types of investments, they restrict financial professionals from offering insurance products with low quality ratings or specific types of speculative or complex investments. Sigma and Parkland do not impose any requirements for you to open an account or establish a relationship, such as a minimum account size or minimum investment amount.

For additional information, please see their [Customer Relationship Guide](#) that is available on their customer websites:

- **Sigma**
www.sigma4clients.com
- **Parkland**
www.parkland4clients.com

SPC can provide you investment advisory services. Such services include discretionary portfolio management services; direct-at-fund programs, which are fee-based discretionary accounts held with a single mutual fund company that provides clients with access to low-cost mutual fund shares; investment advice to individual participants of retirement plans; recommendations of third-party money managers; segmented and comprehensive financial plans; ongoing financial consulting services; and project-based planning services. SPC also sponsors a wrap fee program called the Axis Advice Engine platform through which clients have access to various asset management programs (“Axis Programs”), including those of unaffiliated third-party money managers and model portfolio strategists as well as an option for discretionary account management by one of SPC’s investment adviser representatives. The custodian and clearing firm for assets held in Axis Program accounts is National Financial Services LLC (“NFS”), and Sigma or Parkland serve as the introducing broker-dealer of record for Axis Program accounts. For clients who would like discretionary account management by one of SPC’s investment adviser representatives in a non-wrap fee program arrangement, SPC offers a SIGMA Managed Account option. The SIGMA Managed Account is ordinarily a discretionary account by default; however, clients can request a non-discretionary arrangement. The custodian and clearing firm for assets held in SIGMA Managed Accounts is NFS, and the introducing broker is NFS’s affiliate Fidelity Brokerage Services LLC.

As part of SPC’s standard services, SPC monitors, on an ongoing basis, client accounts for which it provides discretionary portfolio management services as well as accounts managed by third-party money managers and strategists it recommends. Clients grant SPC discretionary trading authorization (which means the authority to buy and sell securities in your advisory account without asking for your consent in advance) by signing one of SPC’s Client Services Agreements. For SPC’s SIGMA Managed Accounts, the minimum account size is \$5,500, and for Axis Programs, the minimum account size is between \$10,000 and \$100,000. SPC may waive these minimums in its discretion, however third-party money managers and strategists may impose their own account minimums. SPC does not offer any investments issued, sponsored, or managed by SPC or its affiliates, nor does SPC restrict its financial professionals to a limited menu of products or types of investments.

For additional information, please see Items 4 and 7 of SPC's [Form ADV Part 2A brochure](#), and Items 4 and 5 of SPC's [Form ADV Part 2A Appendix 1 wrap fee program brochure](#), both of which are available on SPC's client website (www.spc4clients.com).

Conversation starters 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 types of 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?

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

Fees and costs

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.

Brokerage services from Sigma and Parkland

The principal fees and costs that you will pay for Sigma's and Parkland's brokerage services are the commissions (sometimes also called "sales charges" or "markups") they receive from customer transactions. For securities sold by prospectus, Sigma and Parkland receive a commission in connection with purchases, the amount of which is stated in the prospectus and will vary based on the particular investment and share class (if applicable). For other securities traded in a brokerage account, your financial professional determines the commission, up to a maximum percentage that varies based upon the amount of principal as well as the particular type of security involved in the trade. Because you would be charged more when there are more trades in your account, Sigma and Parkland have an incentive to encourage you to trade often.

In addition to the fees described above, other common fees and costs include: account opening, maintenance, and closing fees; internal fees and expenses related to owning mutual funds, exchange-traded funds, or other investment company products; internal fees and expenses related to owning annuity contracts or life insurance policies, as well as surrender charges in the event of early surrender; and annual custodian fees. Sigma and Parkland have also marked up certain miscellaneous fees charged by NFS related to your brokerage accounts, which presents a conflict of interest.

For additional information, please see their [Customer Relationship Guide](#) and [Revenue Sharing Disclosure](#), as well as the [Commission Schedule](#) and [Brokerage Fee Schedule](#) for brokerage accounts held with their custodian; these documents are available on their customer websites:

- **Sigma**
www.sigma4clients.com
- **Parkland**
www.parkland4clients.com

Please also review your product prospectus for a description of commissions and internal fees and expenses, if applicable.

Investment advisory services from SPC

The principal fees and costs that you will pay for SPC's investment advisory services depend on the advisory service you select, and include fees calculated as a percentage of assets under our management ("asset-based fees"), hourly fees, fixed fees, project-based fees, or seminar attendance fees. SPC receives asset-based fees in connection with its discretionary and non-discretionary portfolio management services (including SIGMA Managed Accounts and Axis Programs), direct-at-fund programs, and third-party money manager programs. Asset-based fees are assessed monthly or quarterly. The more assets there are in your account, the more you will pay in asset-based fees, and therefore SPC has an incentive to encourage you to increase the assets in your account. SPC charges hourly fees and fixed fees in connection with financial plans, ongoing financial consulting, and project-based services. These fees may be assessed before or after the contracted work has been performed.

For Axis Program accounts, which are wrap fee program accounts, the asset-based fee will include most transaction costs and custody services and is therefore higher than a typical asset-based advisory fee. A wrap fee program account (such as an Axis Program account) could cost more than paying separately for advice and transactions using a non-wrap account.

In addition to the fees described above, you may pay, and either SPC or its affiliates may receive, a portion of certain other fees and costs associated with your advisory account. The following categories are the most common additional fees and costs you may pay to entities other than SPC: (i) for SIGMA Managed Accounts, ticket charges for certain transactions as well as miscellaneous account and service fees; (ii) for Axis Program accounts, fees to the overlay manager that utilizes technology to coordinate trading activities, account rebalancing, and other account management services; (iii) the management fees of third-party money managers or strategists SPC recommends; (iv) internal fees and expenses related to owning mutual funds, exchange-traded funds, or fee-only annuity contracts; and (v) commissions and transaction costs you may separately incur from implementing a financial plan.

For additional information, please see Item 5 of SPC's [Form ADV Part 2A brochure](#), the SIGMA Managed Account [ticket charge schedule](#), Item 4 of SPC's [Form ADV Part 2A Appendix 1 wrap fee program brochure](#), and SPC's [Revenue Sharing Disclosure](#), all of which are available on SPC's client website (www.spc4clients.com).

Conversation starter 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 your 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 conflicts 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:

- **Third-party payments:** Sigma and Parkland receive commissions from insurance companies, mutual fund companies, and other product companies when they sell investments. In the case of securities, these commissions are paid by customers. These conflicts of interest create an incentive for them to recommend that you purchase securities from product companies that pay them commissions or product companies that pay them relatively more than others for selling their securities.
- **Sigma and Parkland revenue sharing:** In addition to the third-party payments discussed above, many product companies, retirement plan providers, and alternative investment sponsors make payments to Sigma and Parkland that are sometimes called "revenue sharing" payments because they share with Sigma and Parkland a part of the revenue that they earn on your investments or retirement plans. These payments are separate from the sales commissions Sigma and Parkland receive from customer purchases of insurance or investment products. Moreover, these payments create an incentive for Sigma and Parkland to recommend, offer, or continue offering investments and plans that entail such payments over those that do not and to encourage you to increase the amount of assets in those investments and plans.
- **SPC revenue sharing:** SPC receives revenue sharing compensation, in the form of marketing allowance fees, from certain third-party money managers that SPC recommends to clients. This conflict of interest creates an incentive to recommend to clients those money managers that agree to pay SPC larger marketing allowance fees.
- **Custodian revenue sharing:** In connection with customer brokerage accounts introduced by Sigma or Parkland and custodied with NFS (which is an affiliate of Fidelity Investments), Sigma and Parkland receive revenue sharing payments from NFS, including business development credits, annual technology credits, a monthly revenue share on all eligible Fidelity Money Market Sweep Fund balances and from Fidelity's Network Bank Deposit Sweep Program, a portion of the interest rate clients pay on margin debit balances, interest on cash balances in client accounts that have not selected a cash sweep option, revenue share payments for non-Fidelity "no transaction fee" mutual funds, account transfer cost credits, and markups on certain items disclosed in the Brokerage Fee Schedule. The receipt of these revenue streams creates a conflict of interest and an incentive to (i) select and maintain their ongoing relationship with NFS, rather than other available custodians through which Sigma and Parkland will receive relatively lower or no revenue sharing, and (ii) select accounts for which they will act as broker of record over other accounts where they do not act in such capacity.

Conversation starter to ask your financial professional:

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

More information about Sigma's and Parkland's conflicts is available in their [Revenue Sharing Disclosure](#) and [Customer Relationship Guide](#), both of which are available on their customer websites:

- **Sigma**
www.sigma4clients.com

- **Parkland**
www.parkland4clients.com

More information about SPC's conflicts is available in SPC's [Revenue Sharing Disclosure](#), in Item 5 of SPC's [Form ADV Part 2A brochure](#), and in SPC's [Form ADV Part 2A Appendix 1 wrap fee program brochure](#), all of which are available on SPC's client website (www.spc4clients.com).

How do your financial professionals make money?

Sigma and Parkland financial professionals

Sigma's and Parkland's financial professionals are compensated as independent contractors and receive a percentage of the commissions they generate from customer transactions. Sigma and Parkland use escalating payout percentages that are determined based upon a financial professional's total production with SPC (if applicable) and Sigma or Parkland. In order to increase their compensation, financial professionals have an incentive to recommend that you transact often or exchange annuity contracts and life insurance policies.

SPC financial professionals

SPC's financial professionals are compensated as independent contractors and receive a percentage of the asset-based, fixed, hourly, and other advisory fees paid by their clients. SPC uses escalating payout percentages that are determined based upon a financial professional's total production with SPC and Sigma or Parkland (if applicable). Also, many of SPC's financial professionals are licensed to sell securities and insurance products, and they will separately receive commissions if they sell you such products in connection with implementing a financial plan, or when otherwise acting in their brokerage or insurance capacities. Therefore, to increase their overall compensation, financial professionals have an incentive to recommend that you transfer assets to your advisory accounts and to recommend the purchase of investments as part of a financial plan.

Marketing expense reimbursements and prizes

Our financial professionals are permitted to receive marketing expense reimbursements and prizes (e.g., conference attendance at a resort hotel) so long as this non-cash compensation is not based on the amount of advisory fees generated, the amount of client assets placed, or the sales of specific securities or specific types of securities, within a limited period of time. In order to receive such reimbursements and prizes, financial professionals have an incentive to increase their total production through recommending advisory services, charging higher advisory fees, and recommending additional sales of investments.

Item 4 – Disciplinary History

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

Yes. A free and simple search tool to research us and our financial professionals is available at Investor.gov/CRS.

Conversation starter to ask your financial professional:

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

Item 5 – Additional Information

Additional information about Sigma's and Parkland's brokerage services, as well as SPC's investment advisory services, is available by contacting us at 734-663-1611 or visiting one of the following websites:

- **Sigma**
www.sigma4clients.com
- **Parkland**
www.parkland4clients.com
- **SPC**
www.spc4clients.com

An up-to-date copy of this relationship summary is available by contacting us at 734-663-1611 or visiting one of the websites listed above.

Conversation starter to ask your financial professional:

- 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?

Summary of Material Changes

This exhibit is included to summarize the material changes we have made to our Form CRS since its initial release on June 30, 2020:

- Item 2 – We updated Item 2, under the heading “SPC can provide you investment advisory services,” to disclose that SPC sponsors a wrap fee program called the Axis Advice Engine platform through which clients have access to various asset management programs (“Axis Programs”), including those of unaffiliated third-party money managers and model portfolio strategists as well as an option for discretionary account management by one of SPC’s investment adviser representatives. We also disclosed the account minimums for Axis Program accounts and explained that the custodian and clearing firm for assets held in Axis Program accounts is National Financial Services LLC (“NFS”). We also disclosed that Sigma or Parkland, which are SPC’s affiliates, will serve as the introducing broker-dealer of record for Axis Program accounts. In addition, we added language to clarify that SPC’s SIGMA Managed Account, which is ordinarily a discretionary account by default (but can also be non-discretionary), is a non-wrap fee program alternative to an Axis Program account. Lastly, we added a hyperlink to SPC’s newly created Form ADV Part 2A Appendix 1 wrap fee program brochure.
- Item 3 – We updated Item 3, under the heading “Brokerage services from Sigma and Parkland,” to disclose that Sigma and Parkland have marked up certain miscellaneous fees charged by NFS related to brokerage accounts, which presents a conflict of interest.
- Item 3 – We updated Item 3, under the heading “Investment advisory services from SPC,” to disclose that for Axis Program accounts, which are wrap fee program accounts, the asset-based fee will include most transaction costs and custody services and is therefore higher than a typical asset-based advisory fee. A wrap fee program account (such as an Axis Program account) could cost more than paying separately for advice and transactions using a non-wrap account. We also disclosed additional fees that clients may pay for Axis Program accounts, such as fees to the overlay manager that utilizes technology to coordinate trading activities, account rebalancing, and other account management services. Lastly, we added a hyperlink to SPC’s newly created Form ADV Part 2A Appendix 1 wrap fee program brochure.
- Item 3 – We updated Item 3, under the heading “When we provide you with a recommendation as your broker-dealer or act as your investment adviser,” to add a new bullet point disclosure related to revenue sharing with our custodian (NFS), including the types and sources of revenue received as well as the conflicts of interest created by such revenue. We also added a hyperlink to SPC’s newly created Form ADV Part 2A Appendix 1 wrap fee program brochure.