

## Client Relationship Summary

WCB 06/20/2020

**Introduction.** World Capital Brokerage, Inc. (“WCB”) is a Broker-Dealer registered with FINRA. Brokerage and investment advisory services and their fees differ. It is important that you understand the differences between the two.

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 advisers, and investing.

**What investment services and advice can you provide me?** WCB offers brokerage services to retail investors such as yourself.

<b>World Capital Brokerage, Inc.</b>	
<i>What principal services, accounts &amp; Investments do you offer?</i>	WCB offers both individual and joint accounts for personal, retirement, custodial, 529 plans, uniform gift to minors and uniform transfer to minor accounts. You may buy and sell securities such as stocks, mutual funds and variable annuities.
<i>What are your material limitations?</i>	The limitations you may encounter are those that may be required by industry rules and regulations.
<i>Do you recommend securities?</i>	Yes WCB can recommend securities.
<i>How do you monitor my account(s)?</i>	As part of our standard services we offer to you, your transactions with us are monitored on a daily basis. A general review is performed on your account <u>annually</u> .
<i>Can I give you discretionary authority?</i>	Yes. WCB can make any purchases or sales without your permission with prior CCO approval.
<i>Are my investment choices limited?</i>	You can generally purchase any security. Your only limits are those that are contractual or governed by regulation, such as a variable annuity that is no longer accepting new business.
<i>What are the account minimums and other account requirements?</i>	There are no initial minimum or annual minimums to open and maintain an account with WCB. However, some securities have minimum. Those minimums will be listed in their prospectuses or as posted at <a href="http://www.sec.gov">www.sec.gov</a> .

**World Capital Brokerage, Inc.**, was founded on July 17, 1958. Timothy Taggart is the president and owner of WCB.

WCB is registered to conduct business in all 50 states. We can sell securities to both beginner retail and advanced customers (for example items that can be bought on the New York stock exchange), bonds, mutual funds, Municipal Bonds (bonds issued by state and local governments), variable life insurance and variable annuities. We can also sell options and private placements although these tend to be more suited for advanced investors.

### Regulation Best Interest

Reg BI states that our firm’s security professionals and associate persons must act in your best interest and cannot place either company, our security professionals or any associate’s own interests ahead of your interests. For example, if we both owned the same stock and we both wanted to sell the stock the same day we must sell your stock first to help ensure you get the best sale price possible. Additionally, investment strategies given to you must be based on facts and circumstances assessed at the time the investment strategies are made. There are **four** obligations we must meet. In general: The disclosure obligation requires us to talk to you about both the good things and the bad things. The care obligation requires us to consider many factors regarding your account. The conflict of interest obligation requires us to try and minimize, or when possible eliminate, items that may not work in your favor. Lastly, the compliance obligation requires us to keep an eye on things.

### Questions you should ask your securities professional:

1. “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?”
2. “How will you choose investments to recommend to me?”
3. “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”

### Note on Licenses

What license(s) your securities professional holds may affect what products they can sell. What firm your securities professional is licensed with can also affect what products they can sell. Please discuss this topic with your securities professional so that you are fully informed of any limitations that may affect your investment goals.

### What fees will I pay?

When you open a brokerage account with **World Capital Brokerage, Inc.**, there are different sets of fees you may incur.

	Purchases		Redemptions		
	Per Trade Commission / Sales Charges	Fees	Per Trade Commission / Sales Charges	Fees	Contingent Deferred Sales Charge / Surrender Fee
<b>Clearing Firm Trades</b>	up to 8% <sup>1&amp;2</sup>	up to \$5.25	up to 5% <sup>1</sup>	up to \$5.50	up to 8% <sup>2</sup>
<b>Direct Mutual Fund Trades</b>	up to 5.75% <sup>2</sup>	\$0.00	N/A	\$0.00	up to 5% <sup>2</sup>
<b>Direct Insurance Based Products</b>	up to 8% <sup>2</sup>	\$0.00	N/A	\$0.00	up to 8% <sup>2</sup>

1. A minimum commission amount may apply

2. You should carefully read their prospectus and statement of additional information, which is available on each Mutual Fund’s/Insurance Based Products’ website. If you wish, you may contact them and request a paper copy which they must mail to you free of charge.

*Charging a commission on a trade could create an incentive for us, or your securities professional, to suggest making more trades than are needed. You should always consider these fees when considering a trade.*

World Capital Brokerage, Inc., 1636 Logan Street, Denver, CO 80203. 888-742-0631. [www.worldcapitalbrokerage.com](http://www.worldcapitalbrokerage.com) WCB CRS pg. 1

WCB may receive Rule 12b-1 fees. Many, but not all, mutual funds include a fee for distribution and marketing, which is often referred to as a “Rule 12b-1 fee,” which is typically (though not always) 0.25%. Our firm has received in the past, and expects to receive in the future, some or all, of the Rule 12b-1 fees paid by the mutual fund.

*The receipt of Rule 12b-1 fees creates a conflict of interest because IRC has an incentive to recommend or purchase for clients mutual funds which pay Rule 12b-1 fees rather than something more fitting for the client.*

**Descriptions of Other Fees and Costs.**

	12b-1 / Trail / Distribution Fees	Paper Statement Fees	Annual Custody Fees	Inactivity Fees	Closing Fees	Other Operating Expense Related Fees
<b>Clearing Firm Trades</b>	up to 1% <sup>2</sup>	up to \$0.75	up to \$60.00 <sup>2</sup>	up to \$25.00	up to \$175.00	Varies <sup>2</sup>
<b>Direct Mutual Fund Trades</b>	up to 1% <sup>2</sup>	\$0.00	up to \$20.00 <sup>2</sup>	\$0.00	\$0.00	Varies <sup>2</sup>
<b>Direct Insurance Based Products</b>	up to 1% <sup>2</sup>	\$0.00	\$0.00 <sup>2</sup>	\$0.00	\$0.00 <sup>2</sup>	Varies <sup>2</sup>

1. A minimum commission amount may apply.

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**Additional Information.** *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. Additional information about fees and costs you may incur is available at [www.worldcapitalbrokerage.com/fees](http://www.worldcapitalbrokerage.com/fees).

**Another question you should ask your securities 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?**

*We do not* provide recommendations as your broker-dealer. At the same time, the way we make money creates some conflicts with your interest. You should understand and ask us about these conflicts because they can affect the services and investment advice we provide you.

Here are some examples to help you understand what this means.

While WCB does sponsor a series of mutual funds we do not market these funds to our security professionals.

Our affiliates share employees, officers and directors which may result in affiliates mutually benefitting from each other. An example of a mutual benefit could be when a regulator releases a new rule which applies to two or more affiliates. Another example could happen if a client has accounts with more than one affiliate they could mutually benefit by sharing account information.

Our firms make money mostly by collecting a portion on the commissions paid to our Registered Representatives.

**Another question you should ask your securities professional:** *“How might your conflicts of interest affect me, and how will you address them?”*

**Additional Information.** WCB has prepared a list of possible conflicts of interest which can be found at [www.worldcapitalbrokerage.com/coi](http://www.worldcapitalbrokerage.com/coi).

**How do your financial professionals make money?**

Our registered representatives receive a commission for each investment you make which may include re-occurring payments often called “trails.” Our Investment Advisors receive payments based on the total net asset of your account as described on page 3. *Both of these kinds of payments could create the incentive for your Registered Representative and our firm to make more purchases than you need, or larger purchases of, the securities in your portfolio.*

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

**Company Disclosures.**

On 07/31/1970 WCB was censured by the NASD for 1) an unauthorized listing in a phone book, 2) improper credit extension involving a dishonored check, 3) failure to maintain customer and broker-dealer ledgers for an 18 day period, and 4) failure to maintain adequate supervisory procedures. On 10/23/1975 WCB was issued a cease and desist by the Michigan Securities Division for failing to notify them of the termination of 2 salesmen. On 06/03/1997 WCB was censured and fined \$2,500 by the NASD (FINRA) for failing to maintain the required amount of net capital.

You can find more information about these disclosures, as well as other important information, about us for free by clicking here:

<https://brokercheck.finra.org/firm/summary/37>

**Registered Representative Disclosures.** Security professionals may or may not have additional disclosures. A comprehensive report on security professionals can be found at <https://brokercheck.finra.org/>.

**Free information about your security professional.**

You can find more information about your registered representative by searching for their name here: <https://brokercheck.finra.org/>

**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?**

Your primary contact person will be one of our securities professionals or, if you do not have a securities professional or cannot get hold of them, you may contact customer service at 888-742-0631. You can get more information about our firms, if your securities professional is associated with WCB or IRC, as well as, request a current copy of this *Relationship Summary* by calling 888-742-0631. This information will be provided to you free of charge. *If you ever have any concerns about how a securities professional or associate treats you, please call us immediately at 888-742-0631 and request to speak to the compliance department.*