

# EMPIRE STATE FINANCIAL, INC.

Customer Relationship Summary

Form CRS

Updated August 6, 2024

## **Introduction**

EMPIRE STATE FINANCIAL, INC. (“ESF”) is a broker dealer registered with the Securities and Exchange Commission (“SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Municipal Securities Rulemaking Board (“MSRB”). We are also a member of the Securities Investor Protection Corporation (“SIPC”). We are not a Registered Investment Adviser. Brokerage and investment advisory services and fees differ and it’s important for you to understand the differences. This Client Relationship Summary (“CRS”) provides details about our brokerage services, and other important information.

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.

## **Relationships and Services**

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

ESF offers brokerage services to retail and institutional investors. For the purpose of this Form CRS the information provided is for retail investors. Our services include, but are not limited to, buying, and selling securities, including Fixed Income Securities (Bonds), Equities, Listed Options, Exchange-Traded Funds (“ETFs”), Mutual Funds, Certificates of Deposits, and Private Placement of Securities. ESF does not hold customer funds or securities. ESF introduces all clients’ accounts to RBC Clearing & Custody (“RBC”), a division of RBC Capital Markets, LLC, Members of NYSE/FINRA/SIPC for trade processing and settlement. Investors may access their account online from a portal operated by RBC at <https://www.investor-connect.com> or they may contact a support team member at 1-800-933-9946.

We provide guidance related to investment products. You may select investments, or ESF may recommend investments for your account, but the ultimate investment decisions regarding what you buy, or sell are yours.

The firm does not have account minimum requirements but clients with margin accounts are advised at account opening and annually thereafter that these accounts may carry a greater risk and are subject to margin calls (request for additional funds when the investment loses value).

ESF may from time to time, voluntarily, and without any written agreement with you, review the holdings in your account for the purpose of determining whether to provide you with a recommendation. This voluntary review is considered part of our standard services.

ESF services cover a specific selection of investments, and we do not offer every investment product available in the market. Please visit [www.esfi.com](https://www.esfi.com) for additional information regarding ESF’s products and services.

Our financial professionals are licensed with FINRA. For additional information about your financial professional please visit <https://brokercheck.finra.org>. None of these ensures expertise in a particular instance.

**Conversation Starters.** Ask your financial professional these questions to learn more:

- **Given my financial situation, should I choose a brokerage service? 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?**

## **Fees, Costs, Conflicts, and Standard of Conduct**

### ***What Fees will I pay?***

You are charged fees and costs on your transactions through ESF in the form of:

**Commissions:** a charge assessed by ESF based on the dollar value of the transaction, for handling purchases and sales of securities, a portion of which is paid to your financial professional.

**Clearing Charges:** fees that our clearing firm charges for servicing the account including quarterly or annual account maintenance or custodial fee, ticket charge fee, mail, and handling fees. On certain of these fees, ESF adds an amount to the fee charged by the clearing firm (a “markup”). You may also incur related fees or other transactional fees in mutual fund investments. Other fees may be charged to your account in certain circumstances, such as confirm and statement charges, and account inactivity fees.

**Private Placement Fees:** ESF will charge a transaction-based fee to the issuer (sometimes referred to as a (“placement fee”) when a private placement is closed. The total placement fee varies according to the particular investment and amount invested. We may or may not receive placement fees on the amount you invest. There may be an incentive to encourage you to invest more money into the issuer. The total placement fees will be disclosed in the offering materials, purchase agreement or other similar documents.

Subject to a minimum commission, ESF may discount its commission depending upon certain factors, such as the dollar value of your investments, how much you buy or sell, the frequency with which you buy or sell, the type of investments you buy or sell, and the type of account you have with ESF.

*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.*

ESF’s commission and fee schedule, including charges assessed by its clearing firm, will be provided to you at the time you open your account and whenever fees change. To obtain ESF’s current fee schedule or more information, please contact Mr. Bryan Glass, CEO, at 516-442-1883 or at [bglass@esfi.com](mailto:bglass@esfi.com).

**Conversation Starters.** Ask your financial professional these questions to learn more:

- **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? How else does your firm make money and what conflicts do you have?***

When we provide you with a recommendation, 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 we provide you. Here are some examples to help you understand what this means:

*A retail investor would be charged more when there are more trades in your account, and the firm may therefore have an incentive to encourage you to trade often. We mitigate this conflict by discounting our commissions for active investors. The amount of the discount will depend, for example, on how much you buy or sell, what types of investments you buy or sell and what kind of account you have with us.*

**Conversation Starter.** Ask your financial professional this question to learn more:

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

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

Investment professionals are compensated monthly by receiving an agreed upon percentage of the sales commissions they generate in that particular month.

### **Disciplinary History**

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

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional this question to learn more:

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

### **Additional Information**

For additional information about our services, visit our website at [www.esfi.com](http://www.esfi.com) or contact Mr. Bryan Glass, CEO at 516-442-1883 or at [bglass@esfi.com](mailto:bglass@esfi.com). If you would like additional, up-to-date information or a copy of this Form CRS please call 201-618-6814 and our compliance department will provide you with a copy.

**Conversation Starters.** Ask your financial professional these questions to learn more:

- **Who is the 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?**

**EMPIRE STATE FINANCIAL, INC.**  
**RETAIL FULL SERVICE COMMISSION AND BROKERAGE FEE SCHEDULE**  
(August 6, 2024)

Transaction	ESF Commissions and Fees <sup>1,2,3</sup>
Equities (Stocks and ETFs) Commission	Principal x 5% (minimum commission \$50)
Listed Options	\$20 + \$2 per contract (minimum commission \$50)
Mutual Funds (No Load) Transaction Fee	\$0
Mutual Funds (Load) Transaction Fee	Applicable load as stated in prospectus
Private Placements	\$0 <sup>4</sup>
Listed Fixed Income Securities (Bonds) <sup>5</sup>	3% markup/markdown subject to minimum of \$50
Certificates of Deposit	See Footnote 6 below.
<b>Clearing Firm Fee</b>	
Clearing Firm Transaction Handling Fee (charged on every Transaction except for Private Placements)	\$3.00
<b>Account Fees</b>	
<b>Clearing Firm Fee</b>	
Pledge	\$200
ADR Pass Through Fee	Pass Through
Depository Trust Company (DTC) Delivery Fee	\$25
DRS Transfer Fee (Incoming from transfer agent)	\$25
DRS Transfer Fee (Outgoing to transfer agent)	\$25
Outgoing Retail Account Transfer Fee	\$75
Outgoing IRA Account Transfer Fee	\$120
Returned Check Fee	\$30
IRA, SEP IRA, SARSEP IRA, Simple IRA, Roth IRA Annual Account Fee	\$35
<b>Self-Trusted Retirement Accounts</b>	
<b>Clearing Firm Fee</b>	
One Plan Set-Up Fee	\$200
One Plan Annual Document Maintenance Fee	\$150
Paired Plan Set-Up Fee	\$300
Paired Plan Annual Document Maintenance Fee	\$250
One Plan / Paired Plan Closing Fee	Prorated Annual Fee
<b>Custodial Qualified Plans: Profit Sharing Plans</b>	
<b>Clearing Firm Fee</b>	
Employer Account Set-Up Fee	\$25 +5 per participant
Employer Annual Document Maintenance Fee	\$75.00+ \$5.00 per participant
Employer Account Closing Fee	\$50.00 +Prorated annual fee

<b>ACH Fees</b>	<b>Fee Waived</b>
Annual Inactive Fee	\$35
Annual Safekeeping Position Fee	\$50.00 per year
Bank Wire Customer Funds – Domestic	\$20.00
Bank Wire Customer Funds – Foreign	\$75.00
Certificate Reject Fee	\$200.00 each
Extensions – Domestic / International Stocks	\$10.00
Duplicate Confirmations	\$1.25
Duplicate Statements	\$1.25
Duplicate Tax Documents	\$1.25
International Security Transfer	\$140.00
Legal Deposits & Transfers	\$60.00
Non-Mandatory Non-Physical Reorganization Item	\$40.00
Non-Mandatory Physical Reorganization Item	\$45.00
Overnight Check Fee	\$10.00
Physical Certificates (Non-DRS Eligible and DRS Eligible Securities)	\$650.00
Registered Overnight Mail	At Cost
Restricted Stock Deposit Fee	\$95.00
Transfer Agent Fees	At Cost
<b>Transfer on Death (TOD)</b>	
	<b>Clearing Firm Fee</b>
Set-Up	\$50
Change	\$30.00
Distribution Fee	0.10%
<b>ALTERNATIVE INVESTMENTS</b>	
	<b>Clearing Firm Fee</b>
Alternative Investment Transaction Fee	\$150.00 per occurrence
Annual Maintenance Fee	\$100.00 per position per account

<sup>1</sup> Options transactions and sales of equities and ETFs are subject to a regulatory transaction fee, which appears on trade confirmations as the “Activity Assessment Fee” when applicable.

<sup>2</sup> ESF may discount its commissions and markups/markdowns in certain circumstances (e.g., actively traded account, low priced security).

<sup>3</sup> If a position in low value stocks, options or listed bonds is being liquidated, the minimum commission and transaction charges might result in a customer paying a commission that exceeds the 5%. Margin accounts also incur margin interest at interest rates appearing on the customer's account statements.

<sup>4</sup> ESF may act as principal, riskless principal, or agent on a bond purchase or sale. When acting as principal or riskless principal, bonds will be subject to a markup or markdown included in the quoted price. The markup on transactions in OTC bonds negotiated by ESF in a riskless principal capacity are reflected on the customer's trade confirmation.

<sup>5</sup> ESFI is compensated for private placements as reflected in offering documents.

<sup>6</sup> New issue CDs are discounted to incorporate the fee in accordance with the CD prospectus. A markup on secondary market CDs negotiated by ESF is reflected on the customer's trade account.