

## LEVEL FOUR CAPITAL MANAGEMENT, LLC

### Form CRS Relationship Summary

April 30, 2020

LEVEL FOUR CAPITAL MANAGEMENT, LLC (“LFCM”) is an investment adviser registered with the Securities and Exchange Commission (SEC).

- **Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.**

**What investment services and advice can you provide me?** We offer investment advisory services only.

Our **advisory services** include asset management services directly or through either a third-party arrangement or a sub-advisory arrangement with either affiliated or unaffiliated SEC and state-registered investment advisory firms. Asset management services are generally provided on a discretionary basis, meaning that we will make the ultimate investment decisions without your signoff (discretionary). Many of our advisory services are offered through “wrap fee programs” (as described below) and either we or the third-party manager will continuously monitor your advisory account and investments as part of your standard services. For accounts managed in investment strategies developed by the LFCM Investment Committee, a minimum of \$50,000 is required for asset allocation models, \$100,000 for equity portfolios, \$250,000 for fixed income, and \$250.00 for participation in the digital advice program. Exceptions to these minimums may be granted at the discretion of LFCM.

In connection with its sub-advisory services, LFCM does not have a direct investment advisory relationship with the you and instead the referring advisor, will serve as your primary point of contact and as your advisory representative.

For additional information, please see Form ADV, Part 2A brochure (Items 4 and 7 of Part 2A). Our affiliate Insurance Agency, Level Four Insurance Agency, offers a variety of insurance products, including fixed and immediate annuities and life insurance. Our affiliate, Level Four Advisory Services, LLC is also an SEC registered investment adviser that provides retail advisory services through which referrals may be made to LFCM’s asset management services. Our affiliate, Preferred Legacy Trust, is a state non-depository trust company. Our parent company, Level Four Group, is indirectly 100% owned and controlled by Carr, Riggs, & Ingram, L.L.C. (CRI), an Alabama limited liability company that provides a full range of accounting services.

**Conversation Starters.** 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?*

**What fees will I pay?** The fees you pay depend on the service being provided as well as the program that you select. The principal fees and costs for wrap programs are the “wrap” program fee for the program you select. These fees are “asset-based” meaning that the fee is calculated as a percentage of the assets invested in your advisory account according to the fee schedule in your advisory agreement with us. This means that the more assets you invest in your account, the more you will pay in fees, and therefore ***we have an incentive to encourage you to increase your advisory account assets.***

A wrap advisory fee includes most transaction costs and fees paid to a broker-dealer or bank that has custody of your assets, and therefore is typically higher than a typical asset-based advisory fee that does not include transaction costs and fees. Our clients typically pay the advisory fee each quarter, but please see your advisory agreement for the payment frequency that applies to your account.

Fees paid when LFCM acts in a sub-advisory capacity may in turn pay a portion of such fees to the referring advisor, including without limitation, one that may be associated with LFCM affiliate company Level Four Advisory Services, LLC.

You may also pay miscellaneous fees that your account's custodian may charge, including wire fees, transfer fees, bank charges and other fees, as well as fees and expenses that are included in the expense ratios of certain of your investments, including in mutual funds and ETFs.

**For additional information**, please see Form ADV, Part 2A brochure (Items 5.A., B., C., and D. and your investment advisory agreement).

**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.**

**Conversation Starters.** 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 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 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.

**Examples of Ways We Make Money and Conflicts of Interest.**

- **Third-Party Payments:** We receive payments from third party product sponsors and managers (or their affiliates) when we recommend or sell certain programs. As such, we have an incentive to recommend (or to invest your assets in) programs of third-parties that pay us over products of third parties that do not pay us, or pay us less.
- **Services through Affiliates:** We may recommend services provided by affiliate business partners, including tax and accounting, trust and insurance services. Affiliates may likewise recommend services of LFCM, such as your Level Four Advisory Services, LLC representative referring asset management services to LFCM. As these affiliate business partners receive payments for services provided, we have an incentive to utilize these business partners and they have incentive to utilize our asset management services rather than recommend services of unaffiliated entities.

**Conversation Starters.** Ask your financial professional—

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

**For additional information**, please see Form ADV, Part 2A brochure.

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

Your financial professional may be paid a commission for securities sold in his/her capacity as a registered representative of LPL for services provided in a brokerage account. For advisory services provided, financial professionals are compensated based upon a percentage of the amount of client assets that are serviced and dependent upon employment status, may also receive a base salary. Conflicts relating to compensation are discussed above (*See Examples of Ways we Make Money and Conflicts of Interest.*)

**Do you or your financial professionals have 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 Starters.** Ask your financial professional—

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

**For additional information about our services**, see [www.levelfourcapital.com](http://www.levelfourcapital.com) or Form ADV, Part 2A brochure. If you would like additional, up-to-date information or a copy of this disclosure, please call 866-834-1040.

**Conversation Starters.** Ask your financial professional—

- *Who is my primary contact person? If he or 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?*