

# Customer Relationship Summary

## Making an Informed Decision

## Form CRS

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### **Introduction:**

Chapin Davis, Inc. is registered with the Securities and Exchange Commission (the “SEC”) as both a broker dealer and a registered investment adviser. We are also a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). We were founded in 1952 as a broker dealer and financial services company. In 1991, we began providing investment advisory services as Chapin Davis Asset Management.

We provide financial services to clients on a commission brokerage or fee-based investment advisory. It is important that you understand the differences in the fees that clients pay in brokerage accounts versus investment advisory accounts. Fees in brokerage accounts consists of commissions and account custodial fees for qualified accounts. Commission charges are based upon trade size, product type, liquidity, and complexity of each transaction. Investment advisory accounts are charged a fee on assets under management for investment advisory services quarterly, and other pass-through account maintenance service charges.

### **Tools and Education:**

Clients may take advantage of free and simple industry tools 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 in general.

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

We offer brokerage services and investment advisory services to retail investors.

#### ***Brokerage Services:***

We offer brokerage services to all types of retail investors, including individuals, joint owners, institutions and corporations. The brokerage services offered by us include the buying and selling of stocks, bonds, mutual funds, money market funds, exchange traded funds (“ETFs”), preferred securities, limited partnership interests and options. Our financial advisors may offer recommendations to retail investors in order to meet their stated investment objective, risk tolerance, financial goals, suitability, time horizon and liquidity needs. Chapin Davis may offer advise on existing products or investment types as well as, new investment product types after the firm conducts a thorough due diligence review and approves the use of these products. Retail customer accounts are monitored on-going. There are no minimum balance requirements to open a brokerage account.

#### ***Investment Advisory Services:***

We offer investment advisory services to retail investors, including wealth management, asset management, financial consulting and financial planning services. In connection with our wealth and asset management services, clients may grant us full or limited discretionary authority to invest their assets, which means that we may make trading decisions on our clients’ behalf without notifying them beforehand. However, our discretionary authority is subject to the client’s strategy and investment policy statement, limitations, and restrictions, as agreed upon by the client and us in the investment policy statement. Our clients may impose new investment restrictions at any time by providing the new restrictions to us in writing. Our portfolio managers may rely on both fundamental, technical, quantitative research and develop specific investment strategies or using a mix of these methods. Investment strategies typically include equity and fixed income strategies, asset allocation, ETF strategies, customized portfolios and mutual fund asset allocation. Eligible securities for these types of accounts typically include common and preferred stocks, ETFs, closed end funds, unit investment trusts, corporate and government

bonds, certificates of deposit, options, structured products, and no-load or advisory/institutional class mutual funds. Portfolio Managers may engage in covered call writing or other option strategies as agreed upon by the Investment Advisor Representative and client. The minimum investment to establish an advisory account with us is \$50,000 with the ability to negotiate. We meet with our investment advisory clients periodically— typically on a quarterly basis, but not less than annually—to review overall portfolio holdings, performance, risk tolerance and the client’s financial plan and investment objectives. More frequent reviews may be initiated either by us or a client. Several situations could prompt a review of a client’s portfolio. These situations include but are not limited to: changes in the long-term outlook or risk assessment, realized performance, a change in risk assessment or portfolio strategy, financial profile or other reasons determined during periodic reviews of the client’s portfolio and establishment of investment policy. Clients will receive regular account statements directly from the qualified custodian. We may provide more detailed written reports of performance, asset allocation, and manager information upon customer request. Face-to-face meetings, more frequent reporting and special reports are available upon client request. Clients are urged to compare the information in our reports with that of the statements from the custodian.

**Clients wishing to review more information** regarding our advisory services and programs may visit our website – [www.chapindavis.com](http://www.chapindavis.com), to obtain the most current Form ADV Part 2 or email a request for hard copy to: [compliance@chapindavis.com](mailto:compliance@chapindavis.com).

**Conversation Starters.** Consider asking your financial professional: “Given my financial situation, should I choose an investment advisory service account? 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?**

### *Brokerage Services:*

Clients will pay a commission amount based upon the principal amount of the transaction. Clients will receive a confirmation upon the completion of every transaction directly from the broker-dealer’s clearing firm, which discloses the amount of the commission, the transaction details and other fees charged in connection with the transaction. This may create a conflict of interest, as a client may be charged more when there are more trades in their account, and we may have an incentive to encourage our retail clients to trade more often. Mutual Funds and ETF’s may have additional expenses which are detailed in the fund prospectus. All clients are encouraged to read the prospectus and discuss with their Financial Advisor.

### *Investment Advisory Services:*

Fees charged to our investment advisory clients are calculated as a percentage of assets under management by the fee as agreed upon in the executed Investment Advisory Agreement. We reserve the right to negotiate it fees, which may differ from the fee schedules below, based on the size of the account, complexity of portfolio strategy, service model, the sophistication of the investment analysis, the amount of our advisors’ professional time involved, and other factors. Financial planning services are part of the pricing schedules included below. We may waive our fees in certain circumstances. The fee schedules below (Wealth Management Services, Custom Portfolio Management, Investment Advisory and Wrap/SMA Advisory Programs) describe the typical investment advisory fee structures that may apply to a client account based upon the above various factors. We do not charge performance-based fees. The more assets there are in an advisory account, the more a retail investor will pay in fees. We may have an incentive to encourage clients to increase assets in their advisory account. 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.

See our Form ADV Part 2 which is available on our website, [www.chapindavis.com](http://www.chapindavis.com), for more details. Hard copies may be requested for free by emailing [compliance@chapindavis.com](mailto:compliance@chapindavis.com).

## **Chapin Davis Advisory Platform Fee Structures:**

WEALTH MANAGEMENT SERVICES		INVESTMENT ADVISORY	
SERVICES AUM	FEE	AUM	FEE
<\$1,000,000	1.35%	<\$250,000	1.60%
<\$2,500,000	1.00%	<\$500,000	1.35%
<\$5,000,000	.95%	<\$1,000,000	1.10%
<\$10,000,000	.60%	<\$5,000,000	.85%
>\$10,000,000	.40%	>\$5,000,000	.60%

CUSTOM PORTFOLIO MANAGEMENT		WRAP/SMA ADVISORY PROGRAMS	
AUM	FEE	AUM	FEE
<\$1,000,000	1.50%	FIRST \$250,000	1.85%
<\$2,500,000	1.30%	NEXT \$500,000	1.35%
<\$5,000,000	1.10%	NEXT \$1,000,000	1.10%
<\$10,000,000	.90%	NEXT \$2,000,000	.85%
>\$10,000,000	.40%	OVER \$5,000,000	.40%

We also offer Separate Account or Wrap Fee Manager Services. We provide non-discretionary investment advice to separate accounts established through wrap fee or private manager programs sponsored by independent broker-dealers. Fees for these types of accounts are generally higher than typical asset-based advisory accounts. We receive a portion of the wrap fee for our services.

**Other Fees:**

In addition to management fees, clients may incur brokerage commissions, and other investment-related costs and expenses (including “ticket charges”) that are charged separately by broker-dealers and custodians. Mutual funds in which clients may invest charge their own management fees and operating expenses.

**Conversation Starter:** Consider asking 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 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:

- We may engage in “principal transactions,” meaning that we may buy investments directly from, or sell investments directly to, our retail investor clients. While our ability to engage in principal transactions is subject to the requirements of the Investment Advisers Act of 1940, these kinds of transactions create incentives for us to favor our own interests over those of our clients.
- We may receive compensation from third parties when we recommend or sell certain investments to clients. This may create an incentive for us to sell certain products to clients based on our own interests, rather than those of our clients.

Please review our Form ADV Part 2 which is available on our website, [www.chapindavis.com](http://www.chapindavis.com), for more details.

**Conversation Starter:** Consider asking your financial professional, “how might your conflicts of interest affect me, and how will you address them?”

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

Certain of our financial advisors are dually licensed as investment advisory representatives and registered representatives of the broker-dealer. In this dual capacity, advisors may receive commissions from brokerage accounts and fees from advisory accounts. Advisors will also receive 12b-1 trail fees from mutual fund companies where clients hold assets. In addition, some advisors hold a life insurance license and may receive compensation in the form of commissions as stated in the hypothetical and/or prospectus from insurance carriers for selling life, health and annuity products.

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

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

**Conversation Starter:** Consider asking your financial professional, “as a financial professional, do you have any disciplinary history? For what type of conduct?”

**Where can I find additional information?**

For additional information about our services or to request a copy of this Relationship Summary, please contact our Compliance Department at (410) 435-3200 or email [compliance@chapindavis.com](mailto:compliance@chapindavis.com).

**Conversation Starter:** Consider asking 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?”