



Form CRS Relationship Summary
June 30, 2020

Introduction

Hazlett, Burt & Watson, Inc. is a broker-dealer and an investment adviser registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority ([FINRA®](#)) and the Securities Investor Protection Corporation ([SIPC®](#)). Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the 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.

Relationships and Service

What investment services and advice can you provide me? Hazlett, Burt & Watson, Inc. offers both brokerage and investment advisory services to retail investors.

- **Brokerage services** include buying and selling securities at your direction and providing you with investment recommendations, research, financial tools, and investor education from time to time or at your request. We offer mutual funds, exchange traded funds (ETFs), domestic and international equities, options, fixed income securities, certificates of deposit (CDs) and structured notes, and variable annuities. We do not require a minimum account size or a minimum investment requirement. Unless we separately agree in writing, we do not monitor your brokerage account and you make the ultimate decision regarding the purchase or sale of investments.
- **Advisory services** include our investment management services using mutual funds, exchange traded funds (ETFs), domestic and international equities, options, fixed income securities, certificates of deposit (CDs) and structured notes, variable annuities, and managed portfolios from third-party investment managers. Depending on which program you select, our investment management services are either “non-discretionary” or “discretionary”—meaning that either we will recommend investments to you and you will make the ultimate decision regarding the purchase or sale of investments (non-discretionary), or we will make the ultimate investment decisions without your signoff (discretionary). The third-party managers we make available to you will invest your account on a discretionary basis using mutual funds, ETFs, and other securities. All of our advisory services are offered through “wrap fee programs” (as described below) and either we or the third-party manager will monitor your advisory account and investments as part of your standard services on a quarterly and/or annual basis. You must meet certain investment minimums to open an advisory account. Current account minimums for each program are described on our website at <https://www.hazlettburt.com/regulation-bi>.

For additional information, please see Regulation Best Interest Disclosures, and Form ADV Part 2A, located on our website at <https://www.hazlettburt.com/regulation-bi>. Please also refer to new account opening documents and related disclosures.

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?*

Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay? The fees you pay depend on whether you choose brokerage services, advisory services, or both.

- **Brokerage services**, the primary fees and costs are transaction-based fees for recommendations and execution of securities trades. Depending on the investment product you select, these fees can include up-front commissions, as well as fees that are charged on an on-going basis for as long as you hold the investment (“trails”). If we buy a security from you, or sell a security to you for our own account (as “principal”), we may mark the price up or down, which is a benefit to us. Because we are compensated for transactions, we have an incentive to encourage you to trade more frequently and in greater amounts, and to trade with us as principal because we receive more revenue when you do so.

You will also pay fees for custodial or administrative services, as well as fees and expenses that are included in the expense ratios of certain types of investments, including in mutual funds, ETFs, and variable annuities.

For additional information about the fees and costs for our brokerage services, please see Regulation Best Interest Disclosures and Form ADV Part 2A located on our website at <https://www.hazlettburt.com/regulation-bi>.

- **Advisory services**, the primary fees and costs are the asset-based fees for the program you select (“wrap” fees). Asset-based fees are calculated as a percentage of the assets invested in your advisory account according to the fee schedule in your advisory agreement with us. As such, 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 will be generally more expensive than an asset-based 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.

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 Regulation Best Interest Disclosures, and Form ADV Part 2A, located on our website at <https://www.hazlettburt.com/regulation-bi>. Please also refer to new account opening documents and related disclosures.

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 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.

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 products. As such, we have an incentive to recommend (or to invest your assets in) products of third-parties that pay us additional compensation, over products of third parties that do not pay us, or pay us less.
- **Revenue Sharing:** Certain managers and sponsors (or their affiliates) share the revenue they earn when you invest in certain of their investment products (primarily mutual funds and variable annuities) with us. As such, we have an incentive to recommend (or to invest your assets in) products of sponsors and managers that share their revenue with us, over other products of sponsors or managers that do not share their revenue, or who share less.
- **Principal Transactions:** We may buy and sell your investments through our own accounts (referred to as “acting as principal”). When we act as principal, we earn a profit on these trades (such as commission equivalents, mark-ups, mark-downs, and spreads), and can receive other benefits in principal transactions. We have an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.

Conversation Starter. Ask your financial professional—

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

For additional information: please see Regulation Best Interest Disclosures, and Form ADV Part 2A, located on our website at <https://www.hazlettburt.com/regulation-bi>.

How do your financial professionals make money? Our financial professionals are compensated in a variety of ways based on the percentage of revenue generated from sales of products and services to clients and/or total assets under advisement, including brokerage account activity. Typically, a financial professional's payout increases at larger levels of investments managed for clients and larger levels of revenue generated. As a result, financial professionals have an incentive to provide brokerage recommendations that result in selling more investment products and services. Financial professionals also have an incentive to provide brokerage recommendations to gather more assets under management and to increase brokerage trading activity. Additional information on cash and non-cash compensation received by Financial professionals is available at <https://www.hazlettburt.com/regulation-bi>. Please refer to Regulation Best Interest Disclosures, and Form ADV Part 2A.

Disciplinary History

Do you or your financial professionals have legal or disciplinary history? Yes – Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

Conversation Starter. Ask your financial professional—

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

Additional Information

If you would like additional information about our brokerage or investment advisory services, to request the most up-to-date information, or to request a copy of our most current Customer Relationship Summary or Regulation BI Disclosure Document, please visit <https://www.hazlettburt.com/regulation-bi>, or you may call (304) 233-3312.

Conversation Starter. 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?*