Introduction

Cresap Inc. is registered with the Securities and Exchange Commission as both a broker/dealer and investment advisor.

The costs that a retail investor pays for brokerage and investment advisory services differ, and it is important for a retail investor to understand the differences.

Free and simple tools are available for you to use at Investor.gov/CRS, a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

This relationship summary provides information that helps you make an informed decision about whether or not to invest with us and will answer the following questions:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are your legal obligations to me when providing recommendations as my broker-dealer, or when acting as my investment adviser? How else does the firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?

Terms to know

- A broker-dealer is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An investment adviser is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

What investment services and advice can you provide me?

The firm offers brokerage services and advisory services to retail investors. The firm provides recommendations on a wide range of securities, primarily stocks, bonds, mutual funds, exchange trade products, options and cash management services. You may find more information about our services at www.cresap.com. There you may review our Regulation Best Interest Disclosure for information about brokerage services, and our Form ADV Brochure for advisory services. Both are available at www.cresap.com.

Brokerage Services

Cresap Inc. is licensed as a broker/dealer with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). When acting as a broker/dealer, we conduct a transaction-based business with retail investors.

For purposes of this Summary, the term “broker” at this firm means an individual licensed as a registered representative with the Financial Industry Regulatory Authority (FINRA) through Cresap Inc.

The firm’s primary brokerage business is to provide recommendations to retail investors, through its licensed brokers, on a wide range of publicly traded securities. On most transactions, you will pay to the firm a transaction charge that will be shared with the broker. There are no account size minimums. In a typical brokerage account, you must authorize any buy or sell transaction. In some instances, you may grant to the broker authority to effect buy or sell transactions on your behalf. This discretion, if granted verbally, lasts only for the day on which it was granted. If granted in writing, it lasts until you instruct otherwise.

The broker does not have a duty to monitor your account.

More information on our brokerage services is available in our Regulation Best Interest disclosure document that may be found at www.cresap.com.

Investment Advisory Services

Cresap Inc. is also registered with the SEC as an investment advisor. When acting as an investment advisor, we conduct a fee-based business.
For purposes of this Summary, the term “advisor” means an individual licensed as a registered representative and, additionally, as a registered investment advisor with the Securities and Exchange Commission.

When acting as an investment advisor for the firm, through its advisors, primarily provides advice to you with respect to the purchase and sale of publicly traded securities. You pay a fee that is a percentage of the account value. The vast majority of the firm’s advisory account are non-discretionary, meaning you must approve each transaction before it is executed. The remainder are managed on a discretionary basis, meaning the advisor may effect transactions without consulting with you.

The initial account minimum for the firm's non-discretionary advisory service is $25,000, and is $50,000 for the discretionary service. The minimum maintenance amount for all advisory account is $5000. Additional information about the firm's advisory services is available in our ADV Brochure that may be found at www.cresap.com.

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?

Fees are different for brokerage and advisory accounts and it is important to understand the difference. Since both brokerage commissions and advisory fees are negotiable, one type of account is not necessarily better for you than the other. It is mainly a matter of preference.

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.

Brokerage Services Fees

In a brokerage account at this firm, you pay to the firm a commission for the purchase or sale of a stock or other security. In the case of bonds, you will pay a mark-up on buys and a mark-down on sells. For mutual funds, you will pay a front end sales charge, and will also be assessed an ongoing management fee by the fund manager, a portion of which may be paid to this firm.

In most cases, the transaction charge that the broker applies to a transaction may be discounted from standard rates. Complete information about brokerage account charges is available under the heading “Brokerage Services Fee” at www.cresap.com.

Investment Advisory Services

In an advisory account, you pay to the firm a fee that is a fixed percentage of the account value. The fee is deducted from your account each quarter. If you pay a 1% annual fee, one fourth of 1% (.25%) will be applied to the account value at the beginning of each quarter. Advisory rates are negotiable. The higher the fee, the greater the benefit to the firm and the advisor, since the advisor earns a portion of the fee. At this firm, investors in advisory accounts typically pay between one half percent (0.5%) and one and one half percent (1.5%) of the account value annually. Complete information about advisory account charges is available at www.cresap.com under the heading “Investment Advisory Services”.

Other Fees and Costs

In brokerage accounts, in addition to transaction costs, you may pay for account transfers, optional exchanges, wire transfers, retirement plans, delivery of US Government securities, various fees on government securities, annual inactive or maintenance fees, postage and handling fees, abandoned property and returned checks.

In advisory accounts, there are no buy and sell transaction charges, just a fixed fee. In addition, you may be charged a termination fee if the account is transferred to another firm. There are also charges for wire transfers, delivery of US Government Securities, abandoned property, returned checks and various fees on foreign securities.

For a complete description of current fees and costs, please visit www.cresap.com.

Conversation Starter - 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 acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?

Standard of Conduct

When we provide you with a recommendation as your broker-dealer or act as your investment advisor, 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

The firm’s primary sources of revenue are brokerage account commissions, investment advisory fees and upfront charges and trailing commissions from mutual funds. The firm therefore has an incentive to increase the total amount of investor assets under management, and benefits from high levels of commissions in brokerage accounts, and high fees in advisory accounts. The firm also receives a financial benefit from investor cash balances held in cash sweep programs.

Conversation Starter - ask your financial professional:

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

How do your financial professionals make money?

At our firm, some individuals are licensed only as brokers, and others are licensed as brokers and advisors. In either case, the individual receives a percentage of all transaction charges (in brokerage accounts) and advisory fees (in advisory accounts) attributable to their investor clients. Generally speaking, a broker has an incentive to increase the volume of activity in brokerage accounts, and the advisor has an incentive to increase fee levels in advisory accounts, and in both cases, there is incentive to increase investor assets under management. In addition, some brokers and advisors receive a higher percentage payout on revenues collected by the firm attributable to their investor clients when these revenues reach certain levels. The incentive to generate commissions or advisory fees may be greater when these levels are approached.

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

Yes. https://brokercheck.finra.org/ is a free tool to research the background and experience of financial brokers, advisers and firms.

Conversation Starter - ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? With whom can I talk to if I have concerns about how this person is treating me?

Where can I find additional information?

You can always ask your financial advisor for more information and request a copy of this relationship summary Toll Free at 800-760-3126 or at http://www.cresap.com/contact/.

Complete information about Cresap is available at www.cresap.com.