

THOMPSON FINANCIAL FIRM

BIANCA THOMPSON, CFP® | 5678 J STREET, NW WASHINGTON, DC 20008

October 15, 2021

Anita Ramirez
1234 J Street, NW
Washington, DC 20008

Dear Anita:

I enjoyed our conversation and I am pleased to be working with you. This letter gives you important information about the work that we (my firm and I) will do for you, how you will pay for services and products, and how we will be paid for the work that we will do for you.

You will find other important information and a description of my obligation to act in your best interests in my firm's Customer Relationship Summary (Form CRS), Regulation Best Interest disclosure document, and Brokerage Agreement. These documents provide additional information not in this letter, including about how you will pay and how we are paid. We gave you these documents. You should review them carefully and let us know if you have any questions.

WE WILL PROVIDE YOU THE FOLLOWING SERVICES AND PRODUCTS

You have engaged us to provide brokerage services, which includes buying and selling investments for you and helping you set up an investment account. We also will give you financial advice about investments that we might buy or sell for you.

Based on our recent conversation, we expect to advise you in the following ways:

1. Answer questions you may have and make recommendations about specific investments;
2. Identify tax-advantaged investments to help reduce your tax obligations; and
3. Suggest cash management strategies.

From time to time, we may look at your account to make other recommendations. However, our work for you will not include monitoring your investments or tracking your progress unless we change our agreement to include those services.

As we learn more about your needs, we may discover other services you may need. If you need services that we do not provide, such as accounting and legal services, then we also may be able to recommend professionals to provide those services.

HOW YOU WILL PAY FOR SERVICES AND PRODUCTS

My firm's Form CRS, Regulation Best Interest disclosure document, and Brokerage Agreement include more information about how you will pay for products and services. We gave you these documents. You also can access them online. We will help you understand the fees you will pay and costs of the services and products that we recommend. Let us know if you have any questions.

- **You will pay fees and costs for each transaction.** You will pay sales charges on the investments you buy and sell through my firm. These could include commissions (which are usually a percentage of the dollar amount of the transaction) or markups (the difference between the price my firm pays and the price you pay). For some investments, you will find information about the amount you have paid in the trade confirmations you receive from my firm.
- **If you invest in mutual funds, exchange-traded funds (ETFs), or annuities, then you will pay fees and expenses to third parties.** In addition to the initial commissions and other sales charges, these products have operating expenses and ongoing fees that are not included in the fees you pay us. Mutual fund and ETF fees and expenses can include investment management fees and shareholder service fees; mutual fund fees and expenses also can include marketing and distribution fees. Annuity fees depend on the type of annuity. Annuity fees include surrender charges, mortality expenses, transfer charges, and investment expense ratios.
- **My firm charges a \$200 annual account service fee.** The fee is described in the Form CRS and Brokerage Agreement that we gave to you.

You will pay commissions, expenses, and fees whether you make or lose money on your investments. Commissions, expenses, and fees will reduce the amount you earn on your investments.

HOW WE (THE FIRM AND I) WILL BE PAID

The main way we are paid is from the commissions, sales charges, and markups you pay when you buy and sell investments and insurance through my firm. I am paid part of these commissions and fees. We are paid more on some products than others. My firm's Regulation Best Interest disclosure document explains the ways we are paid for our work with you.

There are other ways we are paid by firms that are not related to my firm. For these types of payments, the other firms pay us. There is no extra charge to you.

- **We are paid by mutual fund, ETF, and fixed and variable annuity providers to make their products available for you to buy or sell and to provide services related to those products.** The amount we are paid to make the products available (known as revenue sharing) is based on how much of those products our clients buy or sell. Mutual funds and variable annuity providers also pay us to provide related services, including for distribution, marketing, networking, and shareholder accounting.
- **We may be paid when you hire a firm we recommend to you.** For example, my firm sometimes refers clients to an accounting firm that pays us a "referral fee" if our clients hire them. When that happens, we will tell you when we recommend them.
- **We get incentives to sell products for unrelated firms.** These include travel and admission to industry conferences or educational events, promotional items, meals, access to entertainment and other events, and payments for client meetings.

MY MATERIAL CONFLICTS OF INTEREST

We have a conflict of interest whenever we have interests that are different from yours. Conflicts can affect the recommendations we give you. When we have a conflict, we will tell you. You can find more information about conflicts of interest in my firm's Form CRS, Regulation Best Interest disclosure document, and Brokerage Agreement. We have policies and procedures designed to help manage conflicts. We will always work in your best interests.

- **We have a conflict because the amount we earn from working with you depends, in part, on the fees, commissions, sales charges, and markups we receive when you buy and sell investments and insurance through my firm.** We earn more on some products than others. We have a financial incentive to recommend that you buy the products that pay us more. We also have a financial incentive to recommend that you buy and sell more products.
- **We also have a conflict when we receive other payments and incentives from firms that are not related to us.** They were described in the How We (the Firm and I) Will Be Paid section. These include payments to mutual funds, ETFs, and annuities available to you, product-related service fees, referral fees, and incentives. We have a financial incentive to recommend the services and products that pay us more money.
- **If we provide other services to you in the future, there may be different conflicts.** When we have a conflict of interest, we will tell you about it.

If you are concerned about a conflict of interest and how it might affect your account, please talk to me about it.

YOUR RESPONSIBILITIES

It is **your** responsibility to update the information you have given me about your personal and financial circumstances. You will be sent account reports and statements at least quarterly. You also can access the reports and statements online. You should review these documents carefully. Let me know if you want to talk about the information in these documents.

TIMING OF THE ENGAGEMENT

Our engagement will continue until one of us decides to change or end it. If you decide to change or end the engagement, you just need to tell us. We can do the same, but we will tell you in writing.

YOUR PERSONAL INFORMATION

My firm has adopted and implemented policies about protecting and sharing your non-public personal information. We have given you our privacy policy.

PUBLIC DISCIPLINARY AND BANKRUPTCY HISTORY

In 2017, the Securities and Exchange Commission ("SEC") and the Certified Financial Planner Board of Standards, Inc. sanctioned me for failing to maintain required records. You will find more information at adviserinfo.sec.gov and cfp.net/verify.

THANK YOU FOR WORKING WITH US

Thank you for choosing us to work with you. We look forward to getting to know you better. You may reach me at BiancaThompson@financialfirm.com or 202-379-2200.

Sincerely,

Bianca Thompson, CFP®