

# **Global Brokerage Services, Inc.**

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Form ADV Part 2A

Client Brochure

August 16, 2018

This Brochure provides information about the qualifications and business practices of Global Brokerage Services, Inc. (GBS). If you have any questions about the contents of this Brochure, please contact us at 410-785-4990 or email [tjohnson@globalbrokers.net](mailto:tjohnson@globalbrokers.net). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

GBS is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about GBS also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes since Last Update

### Summary of Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. Our last update of our Brochure was 09/06/2017 with our Annual Amended Filing for our Fiscal Year End of June 30, 2017. Since our last update, we did not have any material changes in our Form ADV Part 2A Client Brochure.

### Annual Update

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

### Brochure Availability

Currently, our Brochure may be requested by contacting Thomas Johnson, President at 410-785-4990 or [tjohnson@globalbrokers.net](mailto:tjohnson@globalbrokers.net). Our Brochure is also available on our web site [www.globalbrokers.net](http://www.globalbrokers.net), also free of charge.

Additional information about GBS is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with GBS who are registered, or are required to be registered, as investment adviser representatives of GBS.

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## Item 4 – Advisory Business

### **Description of Business, Principals, and Types of Services**

#### **Firm Description**

Founded in 1995, Global Brokerage Services, Inc. (GBS) is a registered broker-dealer with Financial Industry Regulatory Authority (“FINRA”). In 2005, in order to provide a hybrid financial services platform for dually registered representatives, GBS became a registered investment adviser through various states. As of August 16, 2018 Global Brokerage Services manages approximately **\$65,200,000** of assets on a non-discretionary basis. GBS does not manage any discretionary accounts. The firm’s principal shareholders are Thomas W. Johnson and William B. Sweigart.

#### **Types of Advisory Services**

Global Brokerage Services, Inc. through its investment adviser representatives (IARs), provides the following services:

- Portfolio Management Programs
- Third Party Programs
- Financial Consulting

#### **Portfolio Management Programs**

##### **I. Hilltop Securities, Inc. (HTS) (formerly Southwest Securities, Inc.) Advantage Program:**

The HTS Advantage Program is an asset allocation program sponsored and administered by Hilltop Securities, Inc. It is an investment advisory program in which HTS, its Co-Sponsor Global Brokerage Services, Inc. (GBS), and the Investment Adviser Representatives (IAR) of GBS provide investment advice, execution and clearing services, portfolio monitoring and performance reporting services for an annual fee based on the value of assets in the client’s program account(s) as described in Item 5. Hilltop Securities, Inc. will provide program clients with regular brokerage statements, at least quarterly, detailing all deposits, disbursements, dividends, interest income, purchases, sales and positions held in the client’s account(s). HTS will also furnish prompt written confirmations to clients of all transactions executed through HTS for the program account. In addition, performance reports are available upon request.

##### **II. Third Party Programs**

GBS has arrangements with third party investment advisers for which GBS IARs may act as solicitors. A third party investment advisor manages client’s accounts in accordance with the disclosures set forth in the third party investment advisor’s disclosure documents. The third party investment adviser will typically assume discretionary authority over the account. GBS and its representatives will not manage or obtain discretionary authority over the assets in the accounts participating in these programs.

Under these arrangements, the GBS IAR typically gathers information from the client about the client's financial situation, investment objectives, and reasonable restrictions the client wishes imposed upon the management of the account; periodically review reports provided to the client and consults with the client; contacts the client periodically to review with the client the client's financial situation and objectives; communicates information to the third party investment advisory as warranted; and assists the client in understanding and evaluating the services provided by the third party investment advisor. Clients are reminded to notify the investment adviser representative of any changes in their financial situation, investment objective or account restrictions. Clients may also contact the third party advisor managing the account directly.

The third party investment manager typically uses mutual funds, etfs, and/or individual securities to develop model portfolios. The GBS IAR may assist clients in selecting various strategies consisting of model portfolios funded with various mutual funds, etfs, and/or individual securities to be managed by a third party investment manager. However, GBS and its IARs will not otherwise manage these accounts and will not obtain discretionary authority over the assets in accounts participating in these programs. Certain third party advisors may offer investment advisory services that incorporate a market timing strategy for mutual funds, etfs, and/or individual securities. The goal of such timing services is to attempt to increase a client's return by switching between various securities as certain buy/sell signals are triggered. The third party advisors will develop such signals.

In a Manager selection program, the third party investment advisor who sponsors the program evaluates other independent investment advisers and selects advisers to participate as portfolio managers in the program. The portfolio manager or managers selected by the third party advisor will, typically, assume discretionary authority over the account. GBS and its investment adviser representatives will not manage or obtain discretionary authority over the assets in accounts participating in these programs.

### **III. Financial Consulting** (not available in IL)

Financial Consulting may include advice on one or more isolated areas of concern, such as estate or retirement planning. The representative may also provide specific consultation and administrative services regarding investments and financial concerns. Advisers will not render any legal or tax advice in connection with the client's financial plan or consultation. This provision does not apply to those representatives who are qualified to offer legal and/or tax services outside of the planning agreement through a separate entity that is not affiliated with GBS. In the event a client wishes to retain a qualified representative for legal and/or tax services outside the scope of the planning agreement, those services must be provided in a separate agreement between the client and representative. A representative may present the tax aspects of certain investments or strategies in general terms. Within the context, the representative does not provide specific tax advice and recommends that all tax questions or strategies should be discussed with the client's tax professional.

### **Client Tailored Services and Client Imposed Restrictions**

Each GBS adviser representative develops and recommends a unique strategy base on his or her knowledge, experience and understanding of the client's needs. This individualized approach allows the adviser and client to work together to achieve the client's investment goals. GBS extends maximum latitude to the adviser and client, within this individualized approach as to the method in which the account will be managed. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values of beliefs.

## **Item 5 – Fees and Compensation**

### **Portfolio Management Programs**

#### **I. Hilltop Securities, Inc. (HTS) Advantage Program**

The HTS Advantage Program is an Investment Management Program All-Inclusive Fee Structure, in which the clients pay an asset-based advisory fee. The specific manner in which fees are charged by GBS is established in the client's written agreement with GBS. Clients will be charged advisory fees based on an annualized percentage of the value of the assets in the Program.

In consideration for the services provided pursuant to their Agreement on file with the custodian, Client shall pay and shall instruct and authorize the custodian to deduct and pay Adviser from each Client Account, the investment advisory fees specified below (the "Program Fee"). Program fees are calculated in good faith by HTS. Client acknowledges and agrees that the Program Fees listed below are due and payable quarterly in advance and are calculated based on the closing market value of the assets in the Account on the last business day of the preceding calendar quarter. If the management of the account commences at any time other than the beginning of the calendar quarter, the first quarterly fee is prorated based on the initial account value and the number of days the account was open in the quarter during which this Agreement is in force.

When assets are added to or withdrawn from an account in an amount that exceeds \$ 30,000 during the calendar quarter, a fee will be calculated on this increase or decrease and either debited or credited based on the change and pro-rated for the number of days remaining in the billing cycle.

The quarterly fee will equal (on an annualized basis) the percentage (in basis points) set forth in the fee schedule of the fair market value of the account (including interest paid or accrued) on the last business day of the previous calendar quarter. To calculate program fees, the fair market value will be determined by HTS in accordance with industry standards. Total Program Fees may vary from Client to Client.

All fees and expenses deducted from each Account will be reported on each periodic statement of the Account provided to the client. If the advisory agreement or the account is terminated, the fee shall be prorated based upon the number of days the account was open during the quarter in which the Agreement or account is terminated. GBS may reduce account or program fees after receiving notice (written or electronic) from either the client and/or IAR. An account or program fees may only be increased upon receiving the completion of a new Fee Schedule signed by both the client and IAR. All changes in account and program fees will take effect in the next billing cycle.

Clients may incur certain charges imposed by custodians, third party investment and other third parties such as fees charged by managers, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to GBS's fee, and GBS shall not receive any portion of these commissions, fees and/or cost. The fee schedule for the program is as follows:

<u>Account Value</u>	<u>Annual Rate</u>
Less than \$ 250,000	1.75%
\$ 250,000 - \$499,999	1.50%
\$ 500,000 - \$ 999,999	1.25%
\$ 1,000,000 and up	1.00%

The above referenced fee schedule is the maximum allowable and may be reduced at the discretion of the investment adviser. All fees are subject to negotiation.

Please refer to Hilltop Securities, Inc.'s ADV Part 2A Appendix 1: Wrap fee Program Brochure for greater disclosure on the program.

## **II. Third Party Investment Manager Fees & Compensation**

Fees may be negotiated within limits set by the third party money manager. Fees generally range from 10 basis points to 270 basis points annually, depending upon the program selected, the size of the account and the services covered. Under some programs an inclusive fee covers account management, brokerage, clearance, custody and administrative services. In other programs, the account may be charged separately for such services. The fees received by Investment Advisory Representatives of Global Brokerage Services, Inc. for the solicitation of a Third Party Investment Manager may range from 10 basis points to 270 basis points annually, paid either quarterly or monthly, depending upon the program selected.

The amount of the fees, services provided, payment structure, termination provisions and other aspects of each program are detailed and disclosed in the third party investment advisor's form ADV Part 2, the wrap fee disclosure brochure, or other applicable disclosure document. GBS and/or the investment adviser representative will share in a portion of the fee charged by the third party manager. The amount of this portion varies program by program and is disclosed in documentation provided by the third party investment manager. Any fees/expenses rebated to the client due to the termination of a contract will be refunded by the third party advisor as outlined in their ADV Part II.

If mutual funds or variable annuities are used in these programs, the fees mentioned above are in addition to the internal management fees and expenses paid by the mutual funds or variable annuity companies to their separate investment advisors. In addition, variable annuity companies generally impose mortality charges on such accounts. Fees are payable in advance or in arrears as described in the third party money manager's form ADV client and wrap fee brochures. The third party money manager determines fee schedules, termination provisions and the refund of fees for

agreements terminated prior to the expiration date of the agreement. Such policies are disclosed to clients directly by the third party money manager, and vary from manager to manager.

### **III. Financial Consultation Fees & Compensation** (not available in IL)

Representatives may charge a fixed or hourly fee for financial consultation. Categories covered but not limited will be such topics as Retirement Planning, Investment Planning/Asset Allocation, Estate Planning, Insurance Planning, College Planning, and Tax Planning. Fees are negotiated with the client depending on the complexity of the situation, the services provided and experience of the representative. Each client will be provided with a Fee Disclosure Form to complete and sign prior to any fees are charged. Fees are paid when incurred and is under no future obligation for services. At such instances when a commission is earned through the consultation, the client may receive a credit against the consultation fee. The maximum fee that a representative may charge is a flat fee of \$ 1,000 or an hourly rate of up to \$300 per hour. Investment adviser can only charge the fee after completion of the work.

Clients may terminate the consulting agreement without penalty within five business days after signing the consulting contract. Thereafter, the client may terminate the consulting agreement upon written notice. If the agreement is terminated by the client, GBS will not refund any portion of the fee; however, GBS reserves the right, at its sole discretion, to refund any or all of the fee paid in individual circumstances.

### **Additional Fees, Compensation and Expenses**

GBS's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to GBS's fee.

### **Negotiation of Fees and Compensation**

Fees are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, your relationship with GBS and our Representative, the size of the Account, the potential for other business or clients, the amount of work anticipated and the attention needed to manage your account. Please note that the same or similar services to those described above may be available elsewhere to you at a lower cost.

### **Potential Conflicts of Interest**

Mutual Fund 12b-1 fees paid by mutual fund or insurance companies to GBS may be passed, in whole or in part, to IARs. Since the fees vary from fund company to fund company, this could amount to an incentive for investment adviser representatives to favor certain mutual funds over others, contrary to the interest of the client. Hilltop Securities, Inc., our clearing firm, may share a portion of the fees earned on money market balances with GBS and such fees may be passed, in whole or in part, to IARs. These fees are nominal; however, this could amount to an incentive to retain assets in money market accounts.



In addition to providing advisory services, our IARs will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of GBS and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain security products and are encouraged to ask us about any conflicts presented. Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer. As a dually licensed broker/dealer, advisory clients may be offered commissionable products, but this source of revenue makes up less than 50% of the revenue earned as a Firm. In addition, GBS does not charge advisory accounts any commissions or markups fees.

If a conflict of interests exists between a GBS representative, employee or related entity and a client or client's holdings, representatives are responsible to disclose such conflicts to the GBS Compliance Department. The Compliance Department will determine the materiality of such conflicts. All material conflicts will be disclosed to the clients involved. Such clients will be offered an opportunity to waive such conflicts, to work with another representative, or to move their assets to another investment advisory firm.

GBS looks for potential conflicts of interest during account review. Any individual knowingly placing their own interest above that of clients may be subject to termination.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

GBS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

GBS provides portfolio management services to individuals, trusts, estates, corporations and other business entities, profit-sharing and retirement plans.

HTS requires a minimum account size of \$30,000 for the Hilltop Advantage Program. This minimum account size serves as a guideline only. Hilltop Securities, Inc., at its sole discretion, may waive this minimum account requirement.

While GBS does not establish minimums for accounts held at third party. Account minimums and whether negotiable are detailed in the Form ADV II of the third-party advisor.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis, Investment Strategies**

GBS representatives may rely on various types of tools and methods to assist in recommending or selecting investment strategies to you, including asset allocation and various types of software. GBS's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis. The main sources of information used to formulate investment advice and/or manage assets includes financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC, and company press releases.

The investment strategies used to implement any investment advice given to clients includes long term (securities held at least a year) and short term purchases (securities purchased and sold within a year). Portfolios are diversified to control the risk associated with traditional markets. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

### **Risk of Loss**

Investment returns are highly dependent on the value of the underlying securities which are impacted by trends in the various investment markets.

We generally recommend stocks, bonds, mutual funds and exchange traded funds (ETF). Investing in stocks, bonds, mutual funds, and etfs involves the assumption of the following risks:

Investing in stocks involves the assumption of risk including:

- **Financial Risk:** the risk that the companies we recommend to you may perform poorly which will affect the price of your investment;
- **Market Risk:** the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it;
- **Inflation Risk:** the risk that the rate of price increases in the economy deteriorates the returns associated with the stock;
- **Political and Governmental Risk:** the risk that the value of your investment may change with the introduction of new laws or regulations.

Investing in bonds involves the assumption of risk including:

- **Interest Rate Risk:** the risk that the value of the bond investments we recommend to you will fall if interest rates rise;
- **Call Risk:** the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you;
- **Default Risk:** the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all;

- Inflation Risk: the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Investing in mutual funds involves the assumption of risk including:

- Manager Risk: the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy;
- Market Risk: the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommended to you;
- Industry Risk: the risk that a group of stocks in a single industry will decline in price due to adverse developments in the industry, decreasing the value of mutual funds that are significantly invested in that industry;
- Inflation Risk: the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Investing in Exchange Trade Funds (ETFs): In addition to the risks involved with the purchase and holding of Stocks/Bonds/MF (see above) there involves additional risk including:

- Index Sampling Risk: which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index.
- Market Price vs. NAV Variance: Since ETF shares are bought and sold on the secondary market, there may be times when the market price and the NAV (net asset value) vary. Thus you may pay more or less than the NAV
- Availability of Shares: Since ETFs are traded on the secondary market, it is possible that an active trading market may not be maintained;
- Concentration Risk: To the extent that the Fund's investments are concentrated in a particular market, industry or asset class, the Fund may be susceptible to loss due to adverse occurrences affecting that market, industry or asset class;
- Passive Investment Risk: Most ETFs are not actively managed and there is no attempt to take a defensive position in declining markets

When using third party investment managers, each third party investment manager will have its own methods of analysis, investment strategies and unique investment risks that should also be reviewed and considered. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

**“Investing in securities involves risk of loss that clients should be prepared to bear.”**

### **Item 9 – Disciplinary Information**

Financial Industry Regulatory Authority (FINRA) have taken certain disciplinary actions against Global Brokerage Services, Inc. for alleged violations of certain security regulations, rules, and/or statutory provisions. The matters have been settled, and Global Brokerage Services, Inc. has paid fines with respect to such violations.

On September 10, 2014, GBS reached a settlement with FINRA, without admitting or denying the findings, that the firm failed to establish, maintain and enforce a reasonable supervisory system regarding the use of consolidated reports by its registered representatives. The firm agreed to censure and a \$ 25,000 fine.

More information concerning Global Brokerage Services, Inc's disciplinary disclosures can be obtained from FINRA's BrokerCheck link at: [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

### **Item 10 – Other Financial Industry Activities and Affiliations**

GBS also operates as a broker-dealer registered with Financial Industry Regulatory Authority (FINRA). Individuals affiliated with GBS may be both investment advisory agents and registered representatives. GBS, as a broker-dealer, is a full service organization offering securities transactions which include general securities, load and no-load mutual funds, fixed and variable annuities, variable life insurance and direct participation programs. GBS estimates it devotes less than 50% of its time to activities as a broker-dealer. Many representatives associated with GBS are also licensed to sell insurance products with the states in which they are licensed, and are appointed by various insurance companies. GBS acts as General Agent.

In addition to association with GBS broker/dealer and Insurance Agency, we are or have Related Persons (as defined below) that are accountants with another firm.

Related Persons are defined as entities that we control or control us or are under common control with us.

Clients are under no obligation to purchase insurance products, securities products or other products or services through GBS and its associated persons. While GBS and its representatives endeavor at all times to put the interest of the clients first as part of GBS's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may potentially affect the judgment of these individuals when making recommendations.

### **Item 11 – Code of Ethics**

#### **Code of Ethics**

GBS has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating

to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at GBS must acknowledge the terms of the Code of Ethics annually, or as amended.

GBS anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which GBS has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which GBS, its affiliates and/or clients, directly or indirectly, have a position of interest. GBS's employees and persons associated with GBS are required to follow GBS's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of GBS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for GBS's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of GBS will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of GBS's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between GBS and its clients.

### **Participation or Interest in Client Transactions**

GBS does not act as a principal in any account for which it is also an investment adviser. GBS is not a market maker in any security, nor does the firm carry positions in securities for resale. GBS does not hold any customer funds or securities.

### **Personal Trading**

GBS or individuals associated with GBS may buy or sell securities identical to those recommended to customers for their personal accounts but may do so only after trades have been placed for clients. In addition, any related person(s) may have a pre-existing interest or position in securities that may be recommended to a client. This practice may create a situation where the IAR or representative of the IAR are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e. a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Advisory Firm did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front running" (i.e. personal trades executed prior to those of the Advisory Clients) and other potentially abusive practices.

GBS has a policy in place to monitor the personal securities transactions & holdings of each of the IARs. Any IAR brokerage account held with GBS' clearing firm is reviewed for all activity, and any IAR wishing to have an account outside the Firm must receive approval by the Chief Compliance Officer prior to opening the account. Each account held away from the firm will be required to have duplicate statements and confirms sent to the Home Office for review. The Chief Compliance officer or his/her designee will be responsible for monitoring of all IAR account activity in order to detect any potential conflicts of interest. It is the expressed policy of GBS that IARs and other associated persons may not purchase or sell any security for their own account immediately prior to a transaction being implemented in the same or related security for an advisory account.

GBS' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Thomas Johnson (410-785-4990 or tjohnson@globalbrokers.net).

## **Item 12 – Brokerage Practices**

**In addition to GBS being the Advisor, the firm also acts as Introducing Broker/Dealer to all accounts. Other Advisory firms may permit their clients to use outside Brokerage Firms. GBS believes that it is in the best interest of the client to utilize GBS's Brokerage Services due to the ease of trading & record keeping. Since the Brokerage Firm does not charge any transactional fees, GBS feels there is no advantage in utilizing another Brokerage Firm. Client should note that other Brokerage Fees (other than transactional cost) charged by other Broker/Dealers may be less than fees charged by GBS.**

GBS requires that its clients select Hilltop Securities, Inc. (**Custodian**) to hold their managed accounts. The client should be aware that this is GBS' Policy and that not all investment advisers require clients to use a specific broker/dealer or clearing firm. Client understands and acknowledges that, by directing HTS to execute transactions, the client may not receive the best execution on transactions effected for the account.

HTS, in its capacity as custodian, shall hold physical custody of the assets in the account. All transactions effected for the client's program account(s) shall be cleared and settled through HTS. HTS will provide the client with prompt confirmation of each security transaction affected with respect to the Account and with monthly brokerage account statements, unless there has been no activity in the account, in which a quarterly statement will be delivered. Information contained in confirmations and statements will be deemed conclusive unless client objects in writing within ten (10) days after being transmitted to client. In addition to the confirmations and statements, HTS will furnish the client with a periodic report (at a minimum Annually), which constitutes a compilation of the performance of the Account. HTS or Adviser may require information from the Client to prepare such reports. Client agrees to furnish such requested information to HTS or Adviser within five (5) days after the effective date and within twenty (20) days following the end of each ensuing calendar year. Related customer accounts are not aggregated for the purpose of the breakpoints and/or fee reduction

Client will individually own the Account and all assets therein. Nothing contained herein shall restrict the client's right to withdraw (in whole or in part) assets in the account for the purpose of

hypothecation or pledging. Any withdrawal of assets in the account will be affected only after instruction by the client to HTS or Adviser.

In no event will HTS or Adviser be obligated to effect any transaction for the client that they believe would violate any applicable state or federal law, rule, or regulation, or the rules of regulations of any regulatory or self-regulatory body.

### **Research and Other Soft-Dollar Benefits**

Registered investment advisers are required to disclose if research or other products or services other than execution from a broker/dealer or third party is received in connection with client securities transactions ("soft dollar benefits"). We do not engage in any soft dollar benefits; therefore, GBS has no information applicable to this Item.

### **Aggregation of the Purchase or Sale of Securities**

GBS does not offer the ability to aggregate purchases/sales of securities through their managed programs. Since each account is managed separately on a Non-Discretionary basis and the client is not charged with any transaction fees, the has no adverse effect to placing transactions on an individual basis.

## **Item 13 – Review of Accounts**

GBS will be engaged in Advisory Services through the Hilltop Advantage Program, the solicitation of Third Party Investment Advisory Services and Individual Financial Consulting.

For the HTS Advantage Programs, the investment adviser representative will be responsible for the collection of data, analysis, and advisement of the particular Target Model and securities funding such models. As outlined in the Management Agreement, but no less than annually, the representative will be responsible for reviewing the client's account, evaluating any changes in the clients risk tolerance and/or financial conditions and the implementation of any changes needed. GBS's clearing firm and custodian (Hilltop Securities, Inc.) will provide the clients with brokerage account statements monthly, unless there has been no activity in the account, in which a quarterly statement will be delivered. The clearing firm will also send confirmations or transactions to clients when activity occurs in the account. In addition, Hilltop Securities, Inc. will provide Periodic Performance Reports (at a minimum Annually).

Investment Advisory Representatives acting only as solicitors referring clients to third party investment managers shall review client accounts at a minimum on an annual basis to assure that the investment manager is performing as intended for the client and as otherwise provided in the arrangement with the investment manager. Additional reviews of the clients' accounts depend on the agreement entered into with the investment manager. The Third Party Manager will be responsible for all reporting to the client as outlined in the ADV and Client Agreement.

For Financial Consulting Clients, a registered investment adviser of the firm will be responsible for the collection of data, analysis, and the reporting of information to the client. Thereafter, reviews

are conducted according to the arrangement agreed upon with the client. Financial Consulting clients review a report in the agreed upon form upon completion of the engagement. Updates to the financial consultation and subsequent reviews are conducted as determined by the adviser and client, based on the expressed needs of the client.

## **Item 14 – Client Referrals and Other Compensation**

In its capacity as a broker-dealer, GBS and its registered representatives may earn brokerage commissions and/or fees from the sale of services of investment products such as stocks, bonds, mutual funds, ETFs, variable annuities, variable universal life products, and private placements. Commissions vary depending upon the type of security and service offered.

GBS may receive 12b-1 distribution fees and/or sales commission from investment companies in connection with the placement of client funds into investment company products as set forth in the prospectus or other disclosure document for the investment company and may distribute a portion of those fees to investment adviser representatives.

In certain instances, product sponsors, investment companies, and third party money managers (“product sponsors”) may participate in activities that are designed to help facilitate the distribution of their products, such as marketing activities and education programs, and by offsetting expenses that result from the cost of doing business. Additionally, GBS may enter into arrangements with product sponsors whereby GBS receives a marketing allowance or other financial benefit based on sales of the product sponsor’s products or by providing access to registered representatives affiliated with GBS’s broker/dealer. In return for assistance in facilitating the activities described above, GBS may receive additional compensation from product sponsors. However, GBS does not recommend these products over others. These companies may have greater access to our representatives to provide training, education presentations and product information. Any additional compensation may give rise to a financial incentive for GBS to recommend these products over other where such financial incentives are not present.

While GBS and its registered representatives endeavor at all times to put the interest of the clients’ first as part of GBS’s fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may potentially affect the judgment of these individuals when making recommendations. Additionally, because of the revenue sharing arrangements referenced above, though they do not impact adviser compensation, advisers may prefer recommending products offered by a sponsor who is participating in the revenue sharing program over other mutual funds, variable products, DPPs, REITs, ETFs or third party money managers available through GBS. You should feel free to ask your adviser how he or she will be compensated for any transaction involving a product sponsor.



## **Item 15 – Custody**

### **Custody**

The Investment Adviser Representative does not accept or permit the Firm or its associated persons from obtaining custody of Client assets including cash, securities or having password access to control account activity or and any other form of controlling Client assets.

### **Account Statements**

Clients should receive at least quarterly statements from the broker-dealer or other qualified custodian that holds and maintains client's investment assets. GBS urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

For the Hilltop Advantage Program, GBS acts as a Co-Manager and operates on a non-discretionary basis. Hilltop Securities, Inc. (Co-Manager) will execute the rebalancing of a client's account on a Limited Non-Discretionary basis as outlined in their Management Agreement and Form ADV Part 2A Appendix 1: Wrap fee Program Brochure.

As for Third Party Money Managers, GBS acts as a solicitor and has no discretionary authority. The Third Party Advisors manage the Client assets and are granted discretion by Clients in transacting Securities on behalf of the Clients.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, GBS does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. You should read through the information provided with the proxy voting documents to make a determination based on the information provided. In some instances, at your request, an IAR may give limited clarification based on their understanding of issues presented in the proxy-voting materials. However, you will have the ultimate responsibility for making all proxy-voting decisions. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. At the discretion of the client, he/she may contact their IAR or GBS for guidance on such issues. Under no circumstances is the client required to follow the IAR's or Firm's advise is such matters.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about GBS's financial condition. GBS has no financial commitment that

impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

GBS is not required to provide a balance sheet as it does not serve as a custodian for customer funds or securities, and does not require prepayment of fees of more than \$500 per customer and six months or longer in advance.

### **Item 19 – Requirements for State-Registered Advisers**

The Principal Owners of GBS are Thomas W. Johnson & William B. Sweigart. Their formal Education and Business backgrounds are as follows:

#### **Thomas W. Johnson**

Education: Bachelor of Science: George Mason University: 1985  
MBA: Marymount University: 1989

Business Background:  
7/1989 – Present: Partner: Johnson & Sweigart: Accounting  
2/1995 – Present: President/Principal: Global Brokerage Services, Inc.  
Registered Broker/Dealer/RIA

Other Business Activities: Providing tax and accounting services through Johnson & Sweigart. The approximate time spent is twenty percent

#### **William B. Sweigart**

Education: Bachelor of Science: Penn State University: 1980  
MBA University of Baltimore: 1987

Business Background:  
7/1989 – Present Partner: Johnson & Sweigart: Accounting  
2/1995 – Present VP/Principal: Global Brokerage Services, Inc.  
Registered Broker/Dealer/RIA

Other Business Activities: Providing accounting and tax services through Johnson & Sweigart. The approximate time spent is sixty percent.

## Andrew Adler

520 S. Division St.  
Barrington, IL 60010

### Global Brokerage Service, Inc.

11350 McCormick Rd EP III Suite 901  
Hunt Valley, MD 21031

Telephone: 410-785-4990

August 16, 2018

## FORM ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about Andrew Adler that supplements the Global Brokerage Services, Inc. Brochure. You should have received a copy of that brochure. Please contact Thomas Johnson, Chief Compliance Office if you did not receive Andrew Adler's brochure or if you have any questions about the contents of this supplement.

Additional information about Andrew Adler is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Educational Background and Business Experience

Name: Andrew Adler

Year of Birth: 1976

Formal Education: University of Wisconsin-Madison, BS Personal Finance/Consumer Science: 1999

Marymount University, MBA/Finance: 2001

Business Background: Global Brokerage Services, Inc. Reg. Rep: 2000- Present  
Adler Capital Management: Insurance: 2009 - Present

## Item 3: Disciplinary Information

We do not believe there are any material legal, financial or other “disciplinary” items to report for the above individual. You can obtain information regarding an adviser’s disciplinary history or disclosure events at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Item 4: Other Business Activities

Andrew Adler is registered as a registered representative of Global Brokerage Services, Inc. (Broker/Dealer) which is the same as Global Brokerage Services, Inc (Investment Advisory Firm). Global Brokerage Services Inc. clients may be offered both Advisory Services along with commission based products. This may result in Andrew Adler receiving commission based compensation in addition to any advisory fee paid by the client. Global Brokerage Services, Inc. advisory clients are not obligated to purchase any securities products from Global Brokerage Services, Inc. (Broker/Dealer). Clients who implement Andrew Adler’s recommendation through the Broker/Dealer (Commission Based Securities) should be aware that there may exist various conflicts of interest. The ability to receive both commissions for selling insurance or security products gives the IAR an incentive to recommend investment products based on compensation received rather than on the client’s needs.

These conflicts are mitigated by our standard of conduct in the Code of Ethics Section of the ADV Part II Brochure.

Andrew Adler is the owner of Adler Capital Management, which provides non-securities related Insurance for individuals. This business activity provides a substantial source of income and time for Andrew Adler.

### **Item 5: Additional Compensation**

Andrew Adler cannot accept any type of economic benefits from anyone who is not a client for providing advisory services. Economic benefits include awards, other prizes, and bonuses that are based at least in part, on the number or amount of sales or client referrals, should be considered an economic benefits, but other regular bonuses should not. Economic benefits do not include the supervised person's regular salary.

In certain instances, product sponsors, investment companies, and third party money managers ("product sponsors") may participate in activities that are designed to help facilitate the distribution of their products, such as marketing activities and education programs, and by offsetting expenses that result from the cost of doing business. These companies may have greater access to the representative to provide training, education presentations and product information. These additional support mechanisms may give the IAR incentive to recommend these products over other where support services are not present.

### **Item 6: Supervision**

Andrew Adler is supervised by Thomas Johnson, President of Global Brokerage Services, Inc., from the offices at 11350 McCormick Rd EP III Suite 901, Hunt Valley, MD 21031, telephone number 410-785-4990. Andrew Adler will consider a client's risk tolerance by using a questionnaire to determine Asset Allocation and recommended models/strategies for investment planning based on the risk tolerance score results. Thomas Johnson reviews all accounts for suitability before they are opened. Thomas Johnson monitors all model/strategies offered by Andrew Adler on a regular basis.

In addition, GBS has developed a written supervisory manual to comply with all Federal & State regulations, which is updated as needed. To insure compliance with the written supervisory procedures manual, each IAR is delivered and required to review said manual upon initial registration and as amendments are made.

### **Item 7: Requirement for State-Registered Advisers**

Andrew Adler has never been involved in an award found liable in an arbitration claim in excess of \$2,500 or an award or otherwise being found liable in a civil, self-regulatory organization or administrative proceeding involving any of the following events:

- an investment or an investment related business or activity;
- fraud, false statement(s), or omissions;
- theft, embezzlement, or other wrongful taking of property;
- bribery, forgery, counterfeiting, or extortion; or
- dishonest, unfair, or unethical practices

Andrew Adler has never been the subject of a bankruptcy petition.

Thomas W. Johnson

**Global Brokerage Service, Inc.**

11350 McCormick Rd EP III Suite 901  
Hunt Valley, MD 21031

Telephone: 410-785-4990

August 16, 2018

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Thomas Johnson that supplements the Global Brokerage Services, Inc. Brochure. You should have received a copy of that brochure. Please contact Thomas Johnson, Chief Compliance Office if you did not receive Thomas Johnson's brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas Johnson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Educational Background and Business Experience

Name:	Thomas Johnson
Year of Birth:	1958
Formal Education:	George Mason University, BS/Biology, 1985 Marymount University, MBA/Finance, 1989
Business Background:	Johnson & Sweigart, Partner: 1989 – Present Global Brokerage Services, Inc. President: 1995- Present

## Item 3: Disciplinary Information

We do not believe there are any material legal, financial or other “disciplinary” items to report for the above individual. You can obtain information regarding an adviser’s disciplinary history or disclosure events at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Item 4: Other Business Activities

Thomas Johnson is registered as a registered representative of Global Brokerage Services, Inc. (Broker/Dealer) which is the same as Global Brokerage Services, Inc (Investment Advisory Firm). Global Brokerage Services Inc. clients may be offered both Advisory Services along with commission based products. This may result in Thomas Johnson receiving commission based compensation in addition to any advisory fee paid by the client. Global Brokerage Services, Inc. advisory clients are not obligated to purchase any securities products from Global Brokerage Services, Inc. (Broker/Dealer). Clients who implement Thomas Johnson’s recommendation through the Broker/Dealer (Commission Based Securities) should be aware that there may exist various conflicts of interest. The ability to receive both commissions for selling insurance or security products gives the IAR an incentive to recommend investment products based on compensation received rather than on the client’s needs.

These conflicts are mitigated by our standard of conduct in the Code of Ethics Section of the ADV Part II Brochure.

Thomas Johnson is a Partner of Johnson & Sweigart, which provides accounting and tax services for individuals and small businesses. This business activity provides a substantial source of income and time for Thomas Johnson.

## Item 5: Additional Compensation

Thomas Johnson cannot accept any type of economic benefits from anyone who is not a client for providing advisory services. Economic benefits include awards, other prizes, and bonuses that are based at least in part, on the number or amount of sales or client referrals, should be considered an economic benefits, but other regular bonuses should not. Economic benefits do not include the supervised person's regular salary.

In certain instances, product sponsors, investment companies, and third party money managers ("product sponsors") may participate in activities that are designed to help facilitate the distribution of their products, such as marketing activities and education programs, and by offsetting expenses that result from the cost of doing business. These companies may have greater access to the representative to provide training, education presentations and product information. These additional support mechanisms may give the IAR incentive to recommend these products over other where support services are not present.

#### **Item 6: Supervision**

Thomas Johnson is supervised by William Sweigart, VP of Global Brokerage Services, Inc., from the offices at 11350 McCormick Rd EP III Suite 901, Hunt Valley, MD 21031, telephone number 410-785-4990. Thomas Johnson will consider a client's risk tolerance by using a questionnaire to determine Asset Allocation and recommended models/strategies for investment planning based on the risk tolerance score results. William Sweigart reviews all accounts for suitability before they are opened. William Sweigart monitors all model/strategies offered by Thomas Johnson on a regular basis.

In addition, GBS has developed a written supervisory manual to comply with all Federal & State regulations, which is updated as needed. To insure compliance with the written supervisory procedures manual, each IAR is delivered and required to review said manual upon initial registration and as amendments are made.

#### **Item 7: Requirement for State-Registered Advisers**

Thomas Johnson has never been involved in an award found liable in an arbitration claim in excess of \$ 2,500 or an award or otherwise being found liable in a civil, self-regulatory organization or administrative proceeding involving any of the following events:

- an investment or an investment related business or activity;
- fraud, false statement(s), or omissions;
- theft, embezzlement, or other wrongful taking of property;
- bribery, forgery, counterfeiting, or extortion; or
- dishonest, unfair, or unethical practices

Thomas Johnson has never been the subject of a bankruptcy petition.



# Jerry D. Murphy

14514 Delcastle Dr  
Mitchellville, MD 20721

## Global Brokerage Service, Inc.

11350 McCormick Rd EP III Suite 901  
Hunt Valley, MD 21031

Telephone: 410-785-4990

August 16, 2018

## FORM ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about Jerry Murphy that supplements the Global Brokerage Services, Inc. Brochure. You should have received a copy of that brochure. Please contact Thomas Johnson, Chief Compliance Office if you did not receive Jerry Murphy's brochure or if you have any questions about the contents of this supplement.

Additional information about Jerry Murphy's is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Educational Background and Business Experience

**Name:** Jerry Murphy

**Year of Birth:** 1967

**Formal Education:** Bowie State University, BS Business/Marketing: 1994  
College for Financial Planning: CFP Program: 1996

**Business Background:** Global Brokerage Services, Inc. Reg. Rep: 1996- Present  
JDM Financial, Owner, 1996 – Present  
Prince George’s Community College: Adjunct Instructor: 1999- Present

### **Certified Financial Planner: 1996**

Qualifications: In order to attain the CFP designation, candidates must complete a four step process:

- 1) Education Requirement:  
Before applying for the CFP Certification Examination, applicant needs to complete the education requirements set by the CFP Board, such as completion of a CFP Board Registered Education Program and/or completion of a Bachelor’s degree or higher in any discipline from an accredited college or university;
- 2) CFP Exam:  
Applicant must complete 3 separate exams totaling 10 hours covering all aspects of Financial Planning
- 3) Experience Requirement:  
Applicant must complete at least 3 years of qualifying full time work experience
- 4) Ethics and background check

Ongoing Requirements: CFP must complete at least 30 hours of CE every 2 years, with at least 2 hours in Ethics

## Item 3: Disciplinary Information

We do not believe there are any material legal, financial or other “disciplinary” items to report for the above individual. You can obtain information regarding an adviser’s disciplinary history or disclosure events at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

#### **Item 4: Other Business Activities**

Jerry Murphy is registered as a registered representative of Global Brokerage Services, Inc. (Broker/Dealer) which is the same as Global Brokerage Services, Inc (Investment Advisory Firm). Global Brokerage Services Inc. clients may be offered both Advisory Services along with commission based products. This may result in Jerry Murphy receiving commission based compensation in addition to any advisory fee paid by the client. Global Brokerage Services, Inc. advisory clients are not obligated to purchase any securities products from Global Brokerage Services, Inc. (Broker/Dealer). Clients who implement Jerry Murphy's recommendation through the Broker/Dealer (Commission Based Securities) should be aware that there may exist various conflicts of interest. The ability to receive both commissions for selling insurance or security products gives the IAR an incentive to recommend investment products based on compensation received rather than on the client's needs.

These conflicts are mitigated by our standard of conduct in the Code of Ethics Section of the ADV Part II Brochure.

Jerry Murphy is the owner of JDM Financial, which provides Tax Preparation Services for individuals and small businesses. Jerry Murphy is also an Adjunct Instructor for Prince George's Community College. These business activities provides a substantial source of income and time for Jerry Murphy.

#### **Item 5: Additional Compensation**

Jerry Murphy cannot accept any type of economic benefits from anyone who is not a client for providing advisory services. Economic benefits include awards, other prizes, and bonuses that are based at least in part, on the number or amount of sales or client referrals, should be considered an economic benefits, but other regular bonuses should not. Economic benefits do not include the supervised person's regular salary.

In certain instances, product sponsors, investment companies, and third party money managers ("product sponsors") may participate in activities that are designed to help facilitate the distribution of their products, such as marketing activities and education programs, and by offsetting expenses that result from the cost of doing business. These companies may have greater access to the representative to provide training, education presentations and product information. These additional support mechanisms may give the IAR incentive to recommend these products over other where support services are not present.

#### **Item 6: Supervision**

Jerry Murphy is supervised by Thomas Johnson, President of Global Brokerage Services, Inc., from the offices at 11350 McCormick Rd EP III Suite 901, Hunt Valley, MD 21031, telephone number 410-785-4990. Jerry Murphy will consider a client's risk tolerance by using a questionnaire to determine Asset Allocation and recommended models/strategies for investment planning based on the risk tolerance score results. Thomas Johnson reviews all accounts for suitability before they are opened. Thomas Johnson monitors all model/strategies offered by Jerry Murphy on a regular basis.

In addition, GBS has developed a written supervisory manual to comply with all Federal & State regulations, which is updated as needed. To insure compliance with the written supervisory procedures manual, each IAR is delivered and required to review said manual upon initial registration and as amendments are made.

**Item 7: Requirement for State-Registered Advisers**

Jerry Murphy has never been involved in an award found liable in an arbitration claim in excess of \$2,500 or an award or otherwise being found liable in a civil, self-regulatory organization or administrative proceeding involving any of the following events:

- an investment or an investment related business or activity;
- fraud, false statement(s), or omissions;
- theft, embezzlement, or other wrongful taking of property;
- bribery, forgery, counterfeiting, or extortion; or
- dishonest, unfair, or unethical practices.

Jerry Murphy has never been the subject of a bankruptcy petition.

William B. Sweigart

**Global Brokerage Service, Inc.**

11350 McCormick Rd EP III Suite 901  
Hunt Valley, MD 21031

Telephone: 410-785-4990

August 16, 2018

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure supplement provides information about William B. Sweigart that supplements the Global Brokerage Services, Inc. Brochure. You should have received a copy of that brochure. Please contact Thomas Johnson, Chief Compliance Office if you did not receive William B. Sweigart's brochure or if you have any questions about the contents of this supplement.

Additional information about William Sweigart is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Educational Background and Business Experience

Name: William B. Sweigart

Year of Birth: 1958

Formal Education: Pennsylvania State University  
B. S. Finance, 1980

University of Baltimore  
M. B. A., 1987

Business Background: Johnson & Sweigart, Partner: 1989 – Present  
Global Brokerage Services, Inc. President: 1995- Present

## Item 3: Disciplinary Information

We do not believe there are any material legal, financial or other “disciplinary” items to report for the above individual. You can obtain information regarding an adviser’s disciplinary history or disclosure events at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Item 4: Other Business Activities

William B. Sweigart registered as a registered representative of Global Brokerage Services, Inc. (Broker/Dealer) which is the same as Global Brokerage Services, Inc (Investment Advisory Firm). Global Brokerage Services Inc. clients may be offered both Advisory Services along with commission based products. This may result in William Sweigart receiving commission based compensation in addition to any advisory fee paid by the client. Global Brokerage Services, Inc. advisory clients are not obligated to purchase any securities products from Global Brokerage Services, Inc. (Broker/Dealer). Clients who implement William Sweigart’s recommendation through the Broker/Dealer (Commission Based Securities) should be aware that there may exist various conflicts of interest. The ability to receive both commissions for selling insurance or security products gives the IAR an incentive to recommend investment products based on compensation received rather than on the client’s needs.

These conflicts are mitigated by our standard of conduct in the Code of Ethics Section of the ADV Part II Brochure.

William Sweigart is a Partner of Johnson & Sweigart, which provides accounting and tax services for individuals and small businesses. This business activity provides a substantial source of income and time for William Sweigart.

## Item 5: Additional Compensation

William Sweigart cannot accept any type of economic benefits from anyone who is not a client for providing advisory services. Economic benefits include awards, other prizes, and bonuses that are based at least in part, on the number or amount of sales or client referrals, should be considered an economic benefits, but other regular bonuses should not. Economic benefits do not include the supervised person's regular salary.

In certain instances, product sponsors, investment companies, and third party money managers ("product sponsors") may participate in activities that are designed to help facilitate the distribution of their products, such as marketing activities and education programs, and by offsetting expenses that result from the cost of doing business. These companies may have greater access to the representative to provide training, education presentations and product information. These additional support mechanisms may give the IAR incentive to recommend these products over other where support services are not present.

#### **Item 6: Supervision**

William Sweigart is supervised by Thomas Johnson, President of Global Brokerage Services, Inc., from the offices at 11350 McCormick Rd EP III Suite 901, Hunt Valley, MD 21031, telephone number 410-785-4990. William Sweigart will consider a client's risk tolerance by using a questionnaire to determine Asset Allocation and recommended models/strategies for investment planning based on the risk tolerance score results. Thomas Johnson reviews all accounts for suitability before they are opened. Thomas Johnson monitors all model/strategies offered by William Sweigart on a regular basis.

In addition, GBS has developed a written supervisory manual to comply with all Federal & State regulations, which is updated as needed. To insure compliance with the written supervisory procedures manual, each IAR is delivered and required to review said manual upon initial registration and as amendments are made.

#### **Item 7: Requirement for State-Registered Advisers**

William Sweigart has never been involved in an award found liable in an arbitration claim in excess of \$ 2,500 or an award or otherwise being found liable in a civil, self-regulatory organization or administrative proceeding involving any of the following events:

- an investment or an investment related business or activity;
- fraud, false statement(s), or omissions;
- theft, embezzlement, or other wrongful taking of property;
- bribery, forgery, counterfeiting, or extortion; or
- dishonest, unfair, or unethical practices.

William Sweigart has never been the subject of a bankruptcy petition.

## David K. Heiges

22 E. Main St.  
Gettysburg, PA 17325

## Global Brokerage Service, Inc.

11350 McCormick Rd EP III Suite 901  
Hunt Valley, MD 21031

Telephone: 410-785-4990

August 16, 2018

## FORM ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about David K. Heiges that supplements the Global Brokerage Services, Inc. Brochure. You should have received a copy of that brochure. Please contact Thomas Johnson, Chief Compliance Office if you did not receive David K. Heiges' brochure or if you have any questions about the contents of this supplement.

Additional information about David K. Heiges is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Item 2: Educational Background and Business Experience

Name: David K. Heiges

Year of Birth: 1958

Formal Education: Franklin & Marshall College  
B.A. Business, 1980

Penn State University  
Associates Electrical Engineering, 1983

Business Background: Global Brokerage Services, Inc. President: 1996- Present

## Item 3: Disciplinary Information

We do not believe there are any material legal, financial or other “disciplinary” items to report for the above individual. You can obtain information regarding an adviser’s disciplinary history or disclosure events at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Item 4: Other Business Activities

David Heiges is registered as a registered representative of Global Brokerage Services, Inc. (Broker/Dealer) which is the same as Global Brokerage Services, Inc (Investment Advisory Firm). Global Brokerage Services Inc. clients may be offered both Advisory Services along with commission based products. This may result in David Heiges receiving commission based compensation in addition to any advisory fee paid by the client. Global Brokerage Services, Inc. advisory clients are not obligated to purchase any securities products from Global Brokerage Services, Inc. (Broker/Dealer). Clients who implement David Heiges’ recommendation through the Broker/Dealer (Commission Based Securities) should be aware that there may exist various conflicts of interest. The ability to receive both commissions for selling insurance or security products gives the IAR an incentive to recommend investment products based on compensation received rather than on the client’s needs.

These conflicts are mitigated by our standard of conduct in the Code of Ethics Section of the ADV Part II Brochure.

David Heiges also provides Tax Preparation Services for individuals and small businesses, sells Non-Variable Insurance Products to individuals, and provides Property Management services to a limited number of individual clients. These business activities provides a substantial source of income and time for David Heiges.

## Item 5: Additional Compensation

David Heiges cannot accept any type of economic benefits from anyone who is not a client for providing advisory services. Economic benefits include awards, other prizes, and bonuses that are based at least in part, on the number or amount of sales or client referrals, should be considered an economic benefits, but other regular bonuses should not. Economic benefits do not include the supervised person's regular salary.

In certain instances, product sponsors, investment companies, and third party money managers ("product sponsors") may participate in activities that are designed to help facilitate the distribution of their products, such as marketing activities and education programs, and by offsetting expenses that result from the cost of doing business. These companies may have greater access to the representative to provide training, education presentations and product information. These additional support mechanisms may give the IAR incentive to recommend these products over other where support services are not present.

#### **Item 6: Supervision**

David Heiges is supervised by Thomas Johnson, President of Global Brokerage Services, Inc., from the offices at 11350 McCormick Rd EP III Suite 901, Hunt Valley, MD 21031, telephone number 410-785-4990. David Heiges will consider a client's risk tolerance by using a questionnaire to determine Asset Allocation and recommended models/strategies for investment planning based on the risk tolerance score results. Thomas Johnson reviews all accounts for suitability before they are opened. Thomas Johnson monitors all model/strategies offered by David Heiges on a regular basis.

In addition, GBS has developed a written supervisory manual to comply with all Federal & State regulations, which is updated as needed. To insure compliance with the written supervisory procedures manual, each IAR is delivered and required to review said manual upon initial registration and as amendments are made.

#### **Item 7: Requirement for State-Registered Advisers**

David Heiges has never been involved in an award found liable in an arbitration claim in excess of \$2,500 or an award or otherwise being found liable in a civil, self-regulatory organization or administrative proceeding involving any of the following events:

- an investment or an investment related business or activity;
- fraud, false statement(s), or omissions;
- theft, embezzlement, or other wrongful taking of property;
- bribery, forgery, counterfeiting, or extortion; or
- dishonest, unfair, or unethical practices.

David Heiges has never been the subject of a bankruptcy petition.