

# Herndon Plant Oakley, Ltd.

## Customer Relationship Summary (Form CRS)

May 19, 2022

### Introduction

Herndon Plant Oakley, Ltd. (HPO, our, or we) is a Securities and Exchange Commission (SEC) registered broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). There are different ways you can get help with your investments and you should carefully consider which accounts and services are right for you. As a broker-dealer, we provide brokerage services and as a state registered investment adviser, we provide investment advisory services. We are affiliated through common ownership with Oxbow Advisors, LLC ([Oxbow](#)); however neither HPO nor Oxbow currently refer clients to the other party. A summary of the types and costs of services we provide is provided herein.

Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available for you to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), a website maintained by the SEC. These tools can also provide you with educational materials about broker-dealers, investment advisers, and investing.

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

We offer brokerage services to retail investors, including buying and selling securities. Our services include discussing your investment goals, assistance with developing or executing an investment strategy, on-going communications, making investment recommendations consistent with your investment strategy and facilitating the execution and settlement of your securities transactions. To that end we generally provide services on a non-discretionary basis, and to this end, you may select investments, or we may recommend investments for your account, but the ultimate investment decision for your investment strategy and the purchase or sale of investments will be yours. Notwithstanding that, we may accept limited discretionary authority, as to price and time, in certain circumstances. Our investment advice generally covers equities, debt, options, futures, and mutual funds. Other firms could provide advice on a wider range of choices, some of which might have lower cost. We generally require that clients have a minimum of \$ \$50,000 for equity and fixed income portfolios and \$100,000 for mutual fund portfolios to open and maintain an account with us, however, we may waive the minimum in our sole discretion.

We do not provide monitoring services for brokerage accounts. However, in our capacity as a state registered investment adviser, we do monitor of the performance of your advisory accounts pursuant to the terms of your investment advisory agreement with us.

#### **Additional Information**

For additional information regarding our brokerage activities, please see our Regulation Best Interest Disclosure, DOL Fiduciary Disclosure, your account agreement, or other applicable documents on our website at [www.hpo.com](http://www.hpo.com). For more information regarding our advisory activities, please see our Form ADV, Part 2A Brochure. You can also contact us about our services at 361-888-7611 and we will be happy to discuss with you.

#### ***Conversation Starter: - Ask your financial professional -***

- ***Given my financial situation, should I choose a brokerage service? 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?

#### **Principal Fees and Costs**

If you open a brokerage account, you will pay us a transaction-based fee, generally referred to as a commission, every time you buy or sell an investment. While our fees vary and are negotiable, the amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us. With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a “mark-up” or “mark down”). With mutual funds, this fee (typically called a “load”) reduces the value of your investment.

*Ultimately, the more transactions in your account, the more fees we charge you. We therefore have an incentive to encourage you to engage in transactions.*

### **Other Fees and Costs**

Your account is also charged We also charge you additional fees, such as custodial fees, account maintenance charges, account inactivity fees, deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes on custodial brokerage accounts and securities transactions and other transactional fees and product level fees. Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time.

### **Additional Information**

**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.**

Please see our Regulation Best Interest Disclosures, other applicable documents, and our Form ADV, Part 2A Brochure for additional information regarding our fees and costs.

***Conversation Starter: Ask your financial professional and start a conversation about the impact of fees and costs on investments -***

- ***Help me understand how these fees and costs affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?***

**What are your legal obligations to me when providing recommendations? How else does the firm make money and what conflicts of interest do you have?**

***When we provide you with a recommendation, 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 is an example to help you understand what this means:***

- Certain custodians, managers, and sponsors (or their affiliates) share the revenue they earn with us when you invest in certain of their investment products (primarily mutual funds and cash sweep accounts) with us. As such, we have an incentive to recommend, or to invest your assets in products of sponsors and managers that share their revenue with us, over other products of sponsors or managers that do not share their revenue, or who share less.

### **Additional Information**

For additional information, please see our Form ADV, Part 2A Brochure, our Regulation Best Interest Disclosures, DOL Fiduciary Disclosure, and other applicable documents at [www.hpo.com](http://www.hpo.com).

***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?**

Your financial professional is paid a base salary, earns compensation based upon a portion of the sales commissions resulting from the buying and selling securities for your brokerage account and based upon the revenue we earn for providing you with advisory services or recommendations, and or is paid a bonus based on the brokerage and advisory activities of its clients, and for the sale of insurance products through affiliated firms. As a result, your financial professional may have a financial incentive to buy and sell securities in a brokerage account and or to increase your portfolio assets under management.

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

**Yes.** Please see [www.Investor.gov/CRS](http://www.Investor.gov/CRS) or <https://brokercheck.finra.org> for a free and simple tool to research the background and experience of us and our financial professionals.

***Conversation Starter: Ask your financial professional:***

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

**Where can I find additional information?**

For additional information regarding our services, please see our Regulation Best Interest Disclosures, Form ADV, Part 2A brochure, and other applicable documents, or if you would like additional, up-to-date information or a copy of this disclosure, please contact Elizabeth Ragan by phone at 361-888-7611, or by email at [bragan@hpo.com](mailto:bragan@hpo.com).

***Conversation Starter: Ask your financial professional -***

- ***Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?***