

MGAM Client Relationship Summary

Item 1 - Introduction

- A. McGowanGroup Asset Management, Inc. (MGAM) is a Registered Investment Adviser with the Securities and Exchange Commission (SEC). MGAM offers Investment Advisory services only which differ from Brokerage services. Investment Advisory services/fees and Brokerage services/fees differ and it is important for the *Retail Investor* to understand the differences.
- B. Free and simple tools are available to research firms and financial professionals at investor.gov/CRS , which also provides educational materials about Investment Advisers, Broker-Dealers and Investing.

Item 2

A. What Investment Services and Advice Can MGAM Provide Me?

- B. MGAM offers *Retail Investors* Investment Planning and Consulting and Fee Based Advisory Services.
- (i) **Monitoring:** MGAM account reviews will occur on quarterly basis as part of our routine Fee Based Advisory Services. Investment Planning only clients do not receive ongoing client reviews.
 - (ii) **Investment Authority:** MGAM accepts Discretionary authority to manage client accounts once the *Retail Investor* opens a Fee Based Advisory account only.
 - (iii) **Limited Investment Offerings:** MGAM is an independent Investment Adviser and does not limit our advice regarding investment products. Our product mix implemented could vary depending on the *Retail Investor's* needs.
 - (iv) **Account Minimums and Other Requirements:** Our Investment Planning only clients are charged an hourly fee of \$1,000.00USD. Our Fee Based Advisory Services clients must consolidate 500K with our firm within 1 year of opening an account and are charged between .59% – 1.50%.
- C. **Additional Information:** More detailed information regarding our product offerings and are available under Items 4, 5, 7, and 13 respectively in our [ADV Part 2A Firm Brochure](#).
- D. **Conversation Starters:**
- “Given my financial situation, should I choose an Investment Advisory 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?”

Item 3

A. What Fees Will I Pay?

- (i) The fees you pay at MGAM depend on the services you elect. If Investment Planning is the only service you need, you will pay an hourly fee of \$1,000.00USD. If you become a Fee Based Asset Management client, you will pay a quarterly fee which is a percentage based on the assets in your account with Investment Planning included.
 - a. Our fees are derived from a percentage of assets under management and hourly planning fees mentioned above.
 - (1) Investment Planning only clients will pay an hourly rate of \$1,000.00USD and could be charged other transactional fees implementing their plan, IF they do not become an MGAM Fee Based Advisory Services account. Most transactional charges will be included with our Fee Based Advisory Service accounts, but those can vary due to items such as Best Execution for Block Orders, additional fees when MGAM decides to use Open Ended Mutual Funds or Exchange Traded Funds to name a few.
 - (2) As potential conflict of interest for MGAM, since MGAM is paid on the asset value of a *Retail Investor's* account, our firm will have an incentive to encourage the *Retail Investor* to increase the assets in their account.
- (ii) In addition to the above mentioned fees, all Fee Based Advisory clients are able to access statements and confirmations free of charge electronically, but if they elect to receive them physically they are assessed a charge per statement and per confirm by Pershing Advisor Solutions (PAS), our custodian. Additionally PAS, as custodian, may charge additional fees associated additional services to include, but not limited to special order processing, wire transaction fees,

UBIT accounting if necessary hardcopy statement delivery, checking and debit card accounts services and lending services. A schedule of PAS charges is available upon request.

- (iii) **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. More detailed information regarding our fees and costs are available under Items 5, 11, 12, 13 & 14 respectively in our [ADV Part 2A Firm Brochure](#).
- (iv) **Conversation Starters:**
- “Help me understand how these fees and costs might affect my investments.”
 - “If I give you \$10,000.00USD to invest, how much will go to fees and costs and how much will be invested for me?”

B. What Are Your Legal Obligations to Me When Acting as My Investment Adviser? How Else Does Your Firm Make Money And What Conflict of Interest Do You Have?

- (i) Standard of Conduct
- a. **When we act as your Investment Adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.
- (ii) Here is an example to help you understand what this means. MGAM has a clearing and custodial relationship with PAS. PAS provides custody for our clients’ assets in addition to administrative support and record keeping services which are intended to service the best interests of our clients, but also benefit our firm. As a result of these services, MGAM may be incentivized to continue to use PAS’ services.
- (iii) **Conversation Starters:**
- “How might your conflicts of interest affect me and how will you address them?”
- (iv) **Additional Information:** More detailed information regarding our conflicts of interest and compensation are available under Items 5, 11, 12, 13 & 14 respectively in our [ADV Part 2A Firm Brochure](#).

C. How Do Your Financial Professionals Make Money?

- (i) MGAM’s Investment Advisory Representatives (IARs) are compensated by providing Investment Planning services or providing Fee Based Advisory Services. These are the only two avenues of compensation for our representatives.
- (ii) There are no qualifiers for our IARs compensation, but IARs may receive a bonus on the amount of client assets serviced.

Item 4

Do You or Your Financial Professionals Have Legal or Disciplinary History?

- A. No, MGAM and its IARs do not have any legal or disciplinary disclosures at this time. Below are some tools to assist your independent research.
- (i) **Search Tools:** Retail Investors can visit investor.gov/CRS for a free and simple tool to research MGAM and its professionals
- (ii) **Conversation Starters:**
- “As a financial professional, do you have any disciplinary history?”
 - “For what type of conduct?”

Item 5 - Additional Information

- A. Retail Investors can find our [Firm’s Brochure](#) and a copy of this Relationship Summary via www.networthradio.com.
- B. Additionally, Retail Investors can call 214-720-4400 to request our [Firm’s Brochure](#) and a copy of this Relationship Summary.
- C. **Conversation Starters:**
- “Who is my primary contact person?”
 - “Is he or she a representative of an Investment Adviser or a Broker-Dealer?”
 - “Who can I talk to if I have concerns about how this person is treating me?”