



Essex Financial Services, Inc.

June 29, 2020

Client Relationship Summary (Form CRS)

Essex Financial Services, Inc. is registered with the Securities and Exchange Commission as an investment adviser and broker-dealer, as such, we provide advisory services and brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences.

Additionally, free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. This document is a summary of the services and fees we offer to “retail investors”, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

What investment services and advice can you provide me?

We offer both brokerage and investment advisory services to retail investors.

Our brokerage services include buying and selling securities. We provide the ability to execute the purchase and sale of various types of securities and investments on your behalf, at your direction. We also offer investment recommendations and investment strategy recommendations but you make the ultimate decision regarding the purchase or sale of investments.

Our investment advisory services include: Investment Management Services; Financial Planning and Consulting Services; Employee Benefit Retirement Plan Services; Independent Managers/Investment Programs; and Sponsor of a Wrap Fee Program(s).

For a description of our brokerage services and other disclosures please refer to our website by clicking on this [link](#) or visiting <http://essex.financial/disclosures> and our advisory services disclosures can be found in our Form ADV Part 2A Items 4, 7, 13 and 16 and Form ADV Part 2 Appendix 1 Brochures Items 4 and 5 by clicking this [link](#) or visiting <https://adviserinfo.sec.gov/firm/summary/127549>.

Account Monitoring

- We do not provide on-going monitoring of your **brokerage investments** as part of our standard services. It is your responsibility to monitor your brokerage investments and brokerage account(s), and we encourage you to do so regularly. If you prefer on-going monitoring of your account(s) or investments, you should speak with a financial advisor about whether an advisory services relationship is more appropriate for you.
- If you engage our firm for **advisory services** and open an advisory investment account with our firm, as part of our standard service we will monitor your investments on a continuous basis, upon changes in economic or market conditions, or individual circumstances.

Investment Authority

- You make the ultimate decision regarding the purchase and sale of investments in your brokerage investment account(s).

- We manage advisory investment accounts on a *discretionary* basis whereby *we will decide* which investments to buy or sell for your account. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. We also offer *non-discretionary* investment management services whereby we will provide advice, but *you will ultimately decide* which investments to buy and sell for your account. You have an unrestricted right to decline to implement any advice provided by our firm when we provide non-discretionary advice.

Investment Offerings

We offer the following types of investments or products: equity securities, warrants, corporate debt securities (other than commercial paper), certificates of deposit, municipal securities, municipal fund securities (529 Plans), variable life insurance, variable annuities, mutual fund shares, United States government securities, options contracts on securities, money market funds, REITs, Exchange Traded Funds (ETFs) and private funds.

Account Minimums and Requirements

- We do not require a minimum dollar amount to open and maintain a brokerage account.
- In general, we require a minimum account size to open and maintain an advisory account, depending on the service provided, which may be waived at our discretion.

Key Questions to Ask Your Financial Professional

- ✓ **Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?**
- ✓ **How will you choose investments to recommend to me?**
- ✓ **What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

What fees will I pay?

The principal fees and costs associated with engaging our firm for brokerage services include commissions and securities transaction charges. These fees are typically charged at the time a transaction is executed. The more trades you place, the more commission we earn thus, we might have an incentive to encourage more trading.

The principal fees and costs associated with engaging our firm for investment advisory services include:

- **Asset Based Fees** - Payable quarterly in advance. Since the fees we receive are asset-based (i.e. based on the value of your account), we have an incentive to increase your account value which creates a conflict especially for those accounts holding illiquid or hard-to-value assets;
- **Hourly Fees** - Payable as negotiated and stipulated in the client agreement;
- **Fixed Fees** - Payable as negotiated and stipulated in the client agreement;
- **Wrap Program Fees** - Payable quarterly in advance. Asset-based fees associated with a wrap fee program generally include most transaction costs and fees to a broker-dealer or bank that has custody of the assets; therefore, the asset-based fee is higher than a typical asset-based advisory fee. Since our firm pays the transaction costs associated with securities transactions in your account, we have an incentive to minimize the trading in your account;
- **Other Advisory Fees** - Third party money manager advisor fees, which are separate and apart from our fees, may be applicable.

Examples of the other common fees and costs that maybe applicable to retail investors are:

- Custodian fees;
- Account maintenance fees;
- Inactivity fees;
- Fees related to mutual funds and exchange-traded funds;

- Transaction charges when purchasing or selling securities; and
- Other product-level fees associated with your investments

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.

For detailed information, refer to our disclosure(s) on our website by clicking on this [link](#) or visiting <http://Essex.Financial/disclosures> and our Form ADV Part 2A and Form ADV Part 2 Appendix 1 Brochures by clicking this [link](#) or visiting <https://adviserinfo.sec.gov/firm/summary/127549>.

Key Question to Ask Your Financial Professional

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

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

- *Compensation from Third Parties:* Our firm receives non-cash compensation or reimbursements from certain product providers that will be used to offset seminar, conference and/or marketing expenses. This practice presents a conflict of interest because we are incentivized to market products and services of the entities that provide us with this compensation.
- *Dual Registration:* Persons providing advice on behalf of our firm may be dually registered as both representatives of our broker dealer/investment advisory firm. These individuals receive compensation in connection with the purchase and sale of securities, other investment products, or a percentage of advisory fees depending the capacity that the individual is acting. This practice presents a conflict of interest since these individuals have an incentive to recommend both investment products as a broker and advisory services as an investment advisor representative.
- *Third-Party Payments:* Some of the representatives providing investment advice and/or brokerage services on behalf of our firm are licensed as independent insurance agents. At times, these persons earn commission-based compensation for selling insurance products. Insurance commissions are separate and in addition to our advisory fees and brokerage fees. This practice presents a conflict of interest because they have an incentive to recommend insurance products to you for the purpose of generating commissions.

Key Question to Ask Your Financial Professional

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

Refer to the disclosures on our website by clicking on this [link](#) or visiting <http://essex.financial/disclosures> and to our Form ADV Part 2A and Form ADV Part 2 Appendix 1 Brochures by clicking this [link](#) or visiting <https://adviserinfo.sec.gov/firm/summary/127549> to help you understand what conflicts exist.

How do your financial professionals make money?

Our financial professionals who provide brokerage services are compensated based on salary, a percentage of product sales commissions or a combination.

Our financial professionals who provide advisory services are compensated in the following ways: Percentage of Advisory Fees which are based on the amount of client's assets they service; salary; hourly, or fixed fees based on the time required to meet a client's needs; and/or a percentage of the revenue the firm earns from the professional's services or recommendations.

Financial professionals also may receive promotional items, meals, entertainment, and other noncash compensation from product providers up to \$100 per year for gifts per vendor.

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

Yes, our firm or our financial professionals currently have legal or disciplinary history to disclose. These events are disclosed in either our Form ADV or the specific individual's Form U4. These documents can be found by going to Investor.gov/CRS.

Key Questions to Ask Your Financial Professional

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

You can find additional information about our investment advisory services and request a copy of the relationship summary at 860-767-4300 or click the link or visit <http://essex.financial/disclosures>.

Key Questions to Ask Your Financial Professional

- ✓ **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?**

Securities and Investment Advisory Services offered through Essex Financial Services, Inc., a Registered Investment Advisor, Member FINRA, SIPC. A subsidiary of Essex Savings Bank. The securities and insurance products offered through Essex Financial Services, Inc. are not a deposit of, or other obligation of, or guaranteed by any bank, or an affiliate of any bank, are not insured by the FDIC or any other agency of the United States, the Bank or an affiliate of the bank and involve investment risk, including the possibility of loss of the principal amount invested.