

J K FINANCIAL SERVICES, INC.

Member: FINRA & SIPC

Customer Relationship Summary

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ITEM 1: INTRODUCTION

J K Financial Services Inc. (JKFS), is a full-service broker-dealer registered with the United States, Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, a member of the Financial Industry Regulatory Authority, and a member of the Securities Investor Protection Corporation.

JKFS provides retail investors brokerage services. Brokerage services and investment advisory services are different from each other and the fees are different. It is important for you to understand these differences.

Note that free and simple tools are available to research firms and financial professional at <https://www.investor.gov/CRS>, which also provides educational material about broker-dealer, investment advisers, and investing.

ITEM 2. RELATIONSHOPS AND SERVICES

WHAT INVESTMENT SERVICES CAN YOU PROVIDE ME?

JKFS and its financial professionals can provide you brokerage services and, if your financial professional has the appropriate license. If you choose to hire JKFS and your financial professional to provide these services, JKFS will establish for you one or more accounts.

JKFS through its clearing firm Hilltop Securities Inc, provides brokerage, execution, clearing, and custody services;

Upon request, your financial professional will recommend that you buy, sell or hold securities, but you always make the ultimate decision to buy, sell or hold your investments. In other words, a financial professional will not enter orders or otherwise transact in your brokerage account unless you authorize us to do so.

In providing brokerage services, neither your financial professional nor JKFS will provide investment advice in a fiduciary capacity for special

compensation like if JKFS provides in conjunction with its investment advisory services. Rather, any investment advice if JKFS provides in conjunction with brokerage services will be incidental to JKFS' primary business as a broker-dealer, which is selling, buying and exchanging securities.

Your professional in JKFS may recommend only those securities he or she is licensed to recommend.

ITEM 3: FEES, COSTS, CONFLICTS AND STANDARD OF CONDUCT

WHAT FEES WILL I PAY?

The fees that you will pay may be one or more of the following:

Commission: A commission is dollar amount JKFS receives each time it buys or sells a security other than a mutual fund when JKFS acts as your agent. The maximum commission shall not exceed 5% of the principal amount of the Transaction unless the trade is subject to the minimum commission guidelines. We basically follow the Commission Schedule of our clearing firm Hilltop Securities, Inc. which is variable upon request. These commissions are paid from your account.

Loads and Contingent Deferred Sales Charges: A dollar amount JKFS receives each time it purchases or redeems a mutual fund share. These fees reduce the number of shares you receive when you purchase a fund's shares and reduce the number of shares you receive when you redeem the fund's share.

Other Mutual Fund Fees: The "12b-1 fees" are fees paid by the mutual funds to JKFS for selling the funds. The mutual funds also pay JKFS "shareholder servicing fees" and "sub-transfer agent fees" for the provision of other services. All of these fees are based upon a percentage of the JKFS client assets invested in the mutual funds. These fees are not paid from your account, but rather are paid from the mutual fund. The result of such fees is that the value of fund shares held in your account decreases.

Other Fees: Our clearing firm, Hilltop Securities Inc will charge fees for a number of services it provides that are apart from the brokerage services we describe above. For example, it charges fees for maintenance of certain accounts, like individual retirement accounts, and to process certain kinds of transactions, like account withdrawals and transfers. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce the amount of money you make

on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starter: 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 how much will be invested for me?

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS AS MY BROKER-DEALER? 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, 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, we provide you.

The following is an example to help you understand what JKFS means: JKFS and your financial professional act as your broker-dealer and agent, have an incentive to buy and sell securities more frequently in order to increase its compensation.

JKFS mitigates against these and other conflicts of interest through a robust supervisory program and periodic review your financial professional trading activities and services.

Additional Information: You will find additional information regarding conflicts in our clearing firms' Brokerage Services Disclosure Brochure, available online at <https://www.hilltopsecurities.com/hilltop-securities-inc-disclosures/>.

Conversation Starter: How might your conflicts of interest affect me, and how will you address them?

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Your financial professional receives a percentage of the fee revenue he or she generates for JKFS. Fee revenue includes commissions, loads, contingent deferred sale charges and 12b-1 fees when your financial professional provides brokerage services.

Your financial professional also has an incentive to encourage you to move your account from another firm to JKFS or from your retirement plan to JKFS in order to increase his or her own compensation. As we discussed above, a financial professional's recommendations will also benefit JKFS.

ITEM 4: DISCIPLINARY HISTORY

DO YOUR FINANCIAL PROFESSIONAL HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. Some of our financial professionals have disciplinary history.

You should go to [https:// investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research JKFS and your financial professionals.

Conversation Starter: As a financial professional, do you have any disciplinary history? For what type of conduct?

ITEM 5: ADDITIONAL INFORMATION

You can find additional information about the services we provide, fees you pay, and conflicts of interest in our clearing firm, Hilltop Securities Inc's Brokerage Services Disclosure Brochure. You can also obtain a copy at www.jkfinancial.net.

You may also call us at 714 704 1818 to request up-to-date information, and request a copy of JKFS's Customer Relationship Summary.

Conversation Starter: 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?

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