

Form CRS

November 2, 2020

Introduction

Herold & Lantern Investments, Inc. is registered with the Securities and Exchange Commission as a broker dealer and is a member of FINRA/[SIPC](#). Fees for brokerage and investment advisory services differ among broker-dealers and investment advisers and it is important that you understand the differences. 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.

What investment services and advice can you provide me?

We offer brokerage services to retail investors, including buying and selling securities. This includes soliciting recommendations regarding which securities to buy or sell in connection with our primary business of buying and selling securities. You make the ultimate decision regarding the purchase or sale of investments. We do not monitor your account on a continuous basis or set frequency. The principal types of investments we engage in include: equities, mutual funds, bonds, and options. We trade securities for our own account and trade with clients on a principal basis for fixed income investments. A principal trade is a transaction that occurs when we buy or sell from our inventory. We do not offer proprietary products, a limited menu of products or types of investments, nor do we require a minimum account size or investment amount to establish a brokerage account.

To help you better understand the types of services we offer and the relationship we will have with you, we would like to discuss the following questions with you:

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?

Please refer to our [Disclosure Document](#) for additional information about our brokerage services.

What fees will I pay?

You will pay a commission or sales charge when you buy or sell securities. Our firm and your financial professional earn more when there is more trading in your account and may therefore have an incentive to encourage you to trade often. In addition, you may incur other fees and costs related to the investments in your account, such as custodian fees, inactivity and paper statement fees, wire transfer fees, fees related to mutual funds and variable annuities, such as fund management fees, 12b-1 distribution fees and other product related fees, such as redemption fees.

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. You should carefully review our [Disclosure Document](#) to understand the ranges of fees and costs you will pay.

To help you better understand the impact of fees and costs, we would like to discuss the following question with you:

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? How else does your 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 we provide you. Here are some examples to help you understand what this means:

- **Third-Party Payments:** We receive 12b-1 fees from mutual funds, as well as fees for cash sweep products held in your brokerage account. This means we have a financial incentive to offer certain investments or products.
- **Principal Trading:** When we buy or sell a security from our inventory, commonly referred to as a principal trade, we will add a mark-up or mark down fee on the transaction. We only conduct principal trading in fixed-income securities. This is an additional source of compensation for us.
- **Revenue Sharing:** We receive a portion of the revenue that the custodian receives from certain product sponsors for investing client assets in their products. This means we have an incentive to recommend certain investments to you.

You should carefully review our [Disclosure Document](#) for more detailed information about our conflicts of interest.

To help you better understand the conflicts of interest we have with you, we would like to discuss the following question:

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

How do your financial professionals make money?

Our financial professionals are licensed to provide brokerage services and are compensated based on a percentage of the transaction fees generated from the amount of securities they buy and sell. The financial professional receives the same percentage of the transaction fee regardless of the product purchased or held in your account. Our financial professionals also receive the following compensation:

- Fees from investment companies for servicing their shareholders' accounts, such as 12b-1 fees. This means your financial professional has an incentive to recommend certain products based on the compensation he or she will receive.
- Certain financial professionals are paid a salary and bonus, which is based on other services undertaken. Some of our financial professionals are also licensed with our Advisory Affiliate and receive related advisory compensation.

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

Yes. Please visit Investor.gov/CRS for a free and simple search tool to research our firm and your financial professional.

To help you better understand our disciplinary history, we would like to discuss the following question with you:

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

Additional Information

You can find additional up-to-date information about our brokerage services and request a copy of our Relationship Summary and our [Affiliates Relationship Summary](#) by contacting us at (631) 454-2000 or on our website, heroldlantern.com.

To help you better understand who to contact with any questions or complaints, we would like to discuss the following question with you:

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?