

## FIRST AMERICAN ASSET ADVISORY, LLC (FORM CRS)

March 26, 2025

### Is An Investment Advisory Account Right For You?

First American Asset Advisory (FAAA) is registered with the Securities and Exchange Commission (SEC) as an investment advisor. Brokerage and investment advisory services and fees differ, and it is important for investors to understand the differences. This document gives you a summary of the types of services we provide at FAAA and how you pay us for our services. FAAA is affiliated with the broker/dealer Morgan Wilshire Securities, Inc. (MWSI). MWSI's Form CRS can be found at [www.morganwilshire.com](http://www.morganwilshire.com). There are free and simple tools available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

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

- If you open an advisory account, we will offer you investment advisory services on a regular basis. We will discuss your investment goals, and design with you a strategy to achieve your investment goals, and regularly monitor your account. We can advise on financial planning and offer wrap fee programs.
- You can choose an account that allows us to buy and sell investments in your account without asking you in advance (a “*discretionary account*”) or we may give you advice and you decide what investments to buy and sell (a “*non-discretionary account*”).
- Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs.
- When we provide investment advice to you regarding your retirement plan account or individual retirement account, our firm is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable.
- The minimum investment amount if you open an advisory account with First American Asset Advisory is \$25,000.
- **More detailed information about our services can be found in our Form ADV Part 2A which is posted on our website and on the Investment Adviser Public Disclosure website <https://www.adviserinfo.sec.gov/>.**

#### Conversation Starters:

Given my financial situation, why 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 fees will I pay?

- The amount paid to our firm and your financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account. In an advisory account, you will pay an on-going **asset-based fee** at the start of each quarter for our services, based on the value of the cash and investments in your advisory account.
- A wrap account is a type of investment account that combines managed investments into a single account and charges a flat fee to cover all management, brokerage, and administrative expenses. This fee, called a “wrap fee” is higher than a typical asset-based advisory fee. The Firm may have a financial incentive to recommend wrap accounts over other programs and services.
- Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as “**surrender charges**” to sell the investment.
- Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. You may also pay fees to a broker-dealer or bank that will hold your assets (called “**custody**”).
- The annual fee for portfolio management services and pension consulting services will range from 0.50% to 2.75% of assets under management.
- The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell.
- 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 about our fees can be found in our Form ADV Part 2A which is posted on our website and on the Investment Adviser Public Disclosure website <https://www.adviserinfo.sec.gov/>.**

#### Conversation Starters:

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 additional costs should I expect in connection with my account?

**What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?**

- We are held to a fiduciary standard that covers our entire investment advisory relationship with you.
- *When we act as your investment advisor*, 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. Here are some examples to help you understand what this means.

**Conflicts of Interest.** *We benefit from the advisory services we provide to you.*

- We may receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs, and other investments.
- A wrap account is a type of investment account that combines managed investments into a single account and charges a flat fee to cover all management, brokerage, and administrative expenses. This fee, called a "wrap fee" is higher than a typical asset-based advisory fee. The Firm may have a financial incentive to recommend wrap accounts over other programs and services.
- Uninvested cash can be automatically placed into interest-bearing federally insured bank accounts. We receive fees for your participation in these "cash sweep" programs from the banks sponsoring the programs. The fees we receive are typically higher than the interest you earn on the cash held in the bank accounts and are in addition to any fees you pay to us. This creates an incentive for us if you maintain a cash balance in your account.
- We participate in the interest charged in margin accounts and other collateralized lending programs.
- When a fee is applied to certain account transactions we may receive a portion of the proceeds.

**Conversation Starter:**

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

**How do your financial professionals make money?**

FAAA financial professionals are compensated based upon a percentage of advisory fees, commissions, and similar compensation paid to FAAA by the clients of the financial professional. This percentage varies by product and service. It will also vary based on the financial professional's experience and production level.

In the case of certain investment products, including funds, the issuer, sponsor or fund manager may provide our financial professional with other forms of compensation, including business entertainment, expense reimbursement for travel associated with educational or similar business meetings, financial assistance in covering the cost of marketing and sales events, and nominal gifts. The receipt of these payments presents a conflict because it creates an incentive for the financial professional to recommend (and maximize the use of) those investment products whose issuers, sponsors or fund managers offer these forms of compensation.

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

Yes, some of our financial professionals have legal and/or disciplinary histories. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. You may research the firm and your financial professional's experience and licenses on FINRA's BrokerCheck website at [brokercheck.finra.org](http://brokercheck.finra.org).

**Conversation Starter:**

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

**Additional Information.** *We encourage you to seek additional information*

- For additional information on our advisory services, see our Form ADV brochure on IARD on [Investor.gov/CRS](http://Investor.gov/CRS) or on our website [www.firstaaa.com](http://www.firstaaa.com) and any brochure supplement your financial professional provides.
- To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC's toll-free investor assistance line at (800) 732-0330. If you have a problem with your investments, account or financial professional, contact us in writing at 59 Hilton Ave, Suite 101, Garden City N.Y 11530 or call (516) 622-3100.

**Conversation Starters: Questions you may want to ask your financial professional:**

Who is my primary contact person? Is that primary contact person 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?