

M.E. Allison & Co., Inc. Form Customer Relationship Summary – October 1, 2021

Introduction

M.E. Allison & Co., Inc. (“MEA”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and with the State of Texas as an investment adviser. MEA is also a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). *Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.*

Relationships and Services

What investment services and advice can you provide me?

As a registered broker-dealer and an investment adviser, MEA offers two distinct client relationships and services to retail clients, Brokerage and Advisory. In a Brokerage relationship, you pay a transaction fee called a “commission” when you buy or sell securities on a solicited or unsolicited basis. In an advisory account, you pay a fee to receive financial advice.

Products Offered

MEA generally recommends and offers securities traded on the major stock exchanges, as well as bonds, options, mutual funds and exchange traded funds. We occasionally offer less common investments intended for specialized client needs. This is not an all-inclusive list of products we offer. Please ask us for more information on other investments we offer or investments you would like to know more about.

*Throughout this relationship summary you will see several “**Conversation Starters**,” which are important questions for you to ask regarding options you have for your account. These are examples, so please ask any additional questions you feel important.

Brokerage Relationships and Services

A Brokerage relationship includes buying or selling securities in your account on a solicited or unsolicited basis. You may instruct us to purchase or sell securities in your account, or you may accept a recommendation that we provide you. Once the brokerage transaction is complete, MEA has no further duty to monitor your account or any position in your account. You may always contact your MEA representative to discuss any security of interest to you and your MEA representative may contact you to discuss or recommend a security, but these conversations do not create an obligation to monitor any holding in your account. Although the brokerage representative may recommend a particular investment, you make the ultimate decision regarding the purchase or sale of investments in your account. There are no account minimums imposed by the firm.

Advisory Relationships and Services

An Advisory relationship carries an ongoing duty to monitor your account and MEA will perform a review of your account at a minimum annually. Securities are bought and sold in your advisory account according to the advice we provide and our collaboration with you. MEA advisory accounts can be either discretionary or non-discretionary. Discretion defines the level of trading authorization the representative has with respect to your account and must be agreed to in writing by both the client and representative. Discretion does not allow for the disbursement of funds in the account without your consent and remains in place until it is revoked either party. Non-discretionary authority means that all transactions in your account require your consent prior to them being made. Although the representative may recommend a particular investment, you make the ultimate decision regarding the purchase or sale of investments in your account. Although there are advisory account minimums on

MEA's Form ADV located on the Investment Adviser Public Disclosure website (<https://adviserinfo.sec.gov/>), MEA has the ability to waive the minimum at our discretion.

Financial planning services entail a comprehensive overview of your current financial situation including a review of existing strategies and financial goals. Many elements such as savings, cash flow, debt management, and insurance are included in this review. Financial planning services are offered separately and carry fee based on the size of the plan or an hourly rate, which is negotiable between you and your advisory representative.

Brokerage v. Advisory

Ask your MEA professional whether a brokerage or advisory account best meets your needs. Depending on your needs, either a brokerage or advisory relationship may be more cost effective for you.

A fee-based advisory account may be a good for you if you want continuing and ongoing advice or want someone to make investment decisions for you. A commission-based brokerage account may cost less if you do not trade often or if you plan to buy and hold investments for longer periods of time.

Please discuss costs and fees with your MEA professional. Bear in mind that the most cost-effective account today may not be the same over time, so please have ongoing discussions with your MEA professional to determine which type of account to select. Keep in mind that you may be best served by having a combination of both types of accounts.

Conversation Starters

- *“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?”*

Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

Brokerage Fees

MEA receives commissions for transactions in your account as compensation. The ability to charge commissions may create an incentive for MEA and its representatives to encourage customers to trade often. If we execute a trade for you from our firm account, we will act as “Principal” and charge a “mark up” or “mark down” on the trade. Some investments (such as mutual funds and annuities) impose additional fees (trails) that will reduce the value of your investment over time. Also, with certain investments such as mutual funds and annuities, you may have to pay fees such as sales or surrender charges to sell the investment if it is not held for a specified amount of time.

Advisory Fees

MEA receives a percentage based on assets under management of your advisory account as compensation. In an advisory relationship, advisory fees are charged quarterly whether or not you purchase or sell a security. The more assets you have in your advisory account, the more advisory fees you will pay and MEA may therefore have an incentive to encourage you to increase the assets in your advisory account. In certain circumstances, MEA may exempt holdings in an advisory account from being subject to advisory fees. Additional information regarding MEA advisory business and fees charged can be located on MEA's Form ADV and Part 2A brochure by visiting <http://www.meallison.com/>, <https://adviserinfo.sec.gov/> or <https://www.investor.gov/>.

Other Fees and Costs

You are charged additional fees imposed by our clearing firm*, such as custodian fees, account maintenance fees, and account inactivity fees. Some Investment Companies charge you ongoing fees known as 12B-1 fees, which MEA receives on a monthly or quarterly basis based on the amount of assets MEA has with each company, respectively. MEA may receive an interest rebate on free cash balances in accounts held at our clearing firm. This interest rebate may create an incentive for us to leave large cash balances uninvested. MEA may receive a rebate on margin-interest balances held at our clearing firm. This margin-interest rebate may create an incentive for us to recommend that you open a margin account. Depending on your account, more transactions in your account may result in more fees we charge you. We may therefore have an incentive to encourage you to engage in transactions. Trades in both brokerage and advisory accounts carry a ticket charge imposed by our clearing firm and MEA receives a portion of the ticket charge.

*A clearing firm executes orders in both advisory and brokerage firms on stock exchanges. A clearing firm also custodies the securities and cash in those accounts.

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.

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 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 conflict 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 examples to help you understand what this means.

- Revenue sharing – we have agreements with outside money managers who are registered investment advisers. These agreements provide for MEA to receive a percentage of revenue earned on the assets referred to the outside money manager.
- Fixed income underwriting – MEA participates in fixed income underwritings. We may offer these products to our clients. MEA will receive fees on these products. The fees are determined by the issuing authority and MEA does not have any control over these fees.
- Principal Trading – We may buy or sell securities to you from our own account. Because we earn compensation (such as commission equivalents, mark-ups, mark-downs, and spreads) and can receive other benefits in principal transactions, we have an incentive to trade with you on a principal basis and to recommend securities that we hold in inventory.

The following are examples of activities that MEA does **NOT** participate.

- Proprietary products – Many brokerage firms offer proprietary products, creating a conflict of interest. More sales of these products result in more money those firms make. MEA does NOT have any proprietary products.
- Sales contests – Many brokerage firms conduct sales contests designed to reward individuals that generate the most revenue for a firm. MEA does not conduct any sales contests.
- Tiered pay structure – Some firms pay advisors a higher percentage of their revenue as their revenue reaches certain tiers, a direct conflict of interest with clients. MEA is NOT structured this way.

Conversation Starter

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

How do your financial professionals make money?

MEA professionals are paid in the form commissions, advisory fees based on your advisory assets under management, financial planning fees, revenue sharing specific to outside money managers (stated above), and the collection of 12B-1 fees (stated above). Please ask your MEA professional to detail all conflicts that may influence how your account is managed.

Certain products may pay your MEA professional a larger commission than other products, so please ask your MEA professional to detail the commission to be received from the investment being recommended against other investments that may impose a lower commission. For example, a mutual fund may pay an advisor a larger upfront commission but lower ongoing 12B-1 fees versus a fee-based account, where you would not pay an upfront fee but you would potentially pay a higher annual fee for as long as you hold the account.

Disciplinary History

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

Yes. MEA and its employees have made legal or disciplinary disclosures to the public. Investors are encouraged to please visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter

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

Additional Information

If you require additional information, wish to request a copy of this or any future relationship summary, our Regulation Best Interest Disclosure, Form ADV, or Part 2A brochure or if you want to discuss your experience with MEA or its professionals, please contact Linde Murphy at (210) 581-0439 or lmurphy@meallison.com.

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?*

Please also visit these resources for additional information:

M.E. Allison & Co., Inc.	Investment Adviser Public Disclosure	NASAA	Investor Information
SEC	SEC Regulation Best Interest	FINRA	FINRA BrokerCheck®