

First Heartland® Capital, Inc. and First Heartland® Consultants, Inc.
Form CRS – Client Relationship Summary
Effective June 30, 2020

First Heartland® Capital, Inc. (FH Capital) is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer. FH Capital is also a member of the Financial Industry Regulatory Authority (FINRA). First Heartland® Consultants, Inc. (FH Consultants) is registered with the SEC as an investment adviser. FH Capital and FH Consultants are affiliated firms having common ownership and control.

Brokerage and investment advisory services and fees differ, 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?

FH Capital offers brokerage services, and FH Consultants offers investment advisory services, as summarized below. FH Capital and FH Consultants are referred to as “we,” “us” or “our.”

Brokerage Services (FH Capital)	Investment Advisory Services (FH Consultants)
The principal (primary) brokerage services we offer to retail investors like you are buying and selling securities, offering investment recommendations, and providing investment research. We also offer certain supporting services such as margin lending for brokerage accounts.	The principal (primary) investment advisory services we offer to retail investors like you are discretionary wrap fee programs and financial planning. We also offer non-discretionary wrap fee programs for certain retirement plans.
The investments we offer include equities (stocks), fixed-income investments such as bonds, Treasuries and certificates of deposit (CDs), options, mutual funds, exchange-traded funds (ETFs), unit investment trusts (UITs), real estate investment trusts (REITs), 529 college savings plans, variable annuities, fixed annuities, and variable life insurance.	The investments we offer include equities (stocks), fixed-income investments such as bonds, Treasuries and certificates of deposit (CDs), options, mutual funds, exchange-traded funds (ETFs), unit investment trusts (UITs), 529 college savings plans, variable annuities, and fixed annuities.
We do not offer or provide monitoring of investments in your brokerage account or for any other type of investments offered.	For advisory services (other than financial planning), we monitor your investments on an ongoing basis for the entire term of our advisory agreement with you. Monitoring is provided as part of our standard services.
Whether within a brokerage account, or for any other type of investment, you make all of the ultimate decisions regarding the purchase or sale (or continued holding) of all investments.	If we provide you with “discretionary” advisory services (i.e., through our discretionary wrap fee programs), your FH Consultants financial professional and/or a third-party asset manager can buy or sell investments for your account - without your approval in each case. This discretionary authority will be described in your advisory agreement with us, and will remain in force for the full term of the agreement. If we provide you with “non-discretionary” advisory services (including financial planning), we make recommendations but you make all of the ultimate decisions regarding the purchase or sale (or continued holding) of all investments.
For brokerage accounts, we do not make available or offer recommendations only with respect to proprietary products, or a limited menu of products or types of investments. However, we only offer investment and insurance products from sponsors (for example, fund families and insurance companies) with whom we have selling agreements.	For investment advisory accounts, we do not make available or offer recommendations only with respect to proprietary products, or a limited menu of products or types of investments. However, we only offer investment and insurance products from sponsors (for example, insurance companies) with whom we have selling agreements.
We do not have an account minimum to open a brokerage account with us.	We impose a \$5,000 account minimum if you wish to open an advisory account with us.

For more detailed information about FH Capital’s brokerage services, please visit our website at firstheartland.com/disclosures.

For more detailed information about FH Consultants’ investment advisory services, and wrap fee programs specifically, please review our Form ADV Part 2A brochure, and our Wrap Fee Program Brochure (Form ADV Part 2A, Appendix 1), which are both available at firstheartland.com/disclosures.

Conversation Starter. Ask a financial professional the following additional questions to start a conversation about relationships and services:

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?

Brokerage Services (FH Capital)	Investment Advisory Services (FH Consultants)
<p>If you select our brokerage services, you will pay us directly or indirectly through commissions and other transaction-based charges.</p> <p>We will typically charge your account a brokerage commission each time you buy or sell stocks, options, ETFs and certain other securities. For bonds, CDs and certain other investments, instead we will charge you a “mark-up” or “mark-down” adjustment (each time you buy or sell) from the trade price, meaning we keep the difference as our fee.</p> <p>For investment and insurance products such as mutual funds, UITs, alternative investment funds and annuities, we will receive sales commissions or similar payments each time you buy the products. In certain cases, we also receive ongoing compensation as long as you continue to hold the product, such as marketing/distribution fees from mutual funds (“12b-1 Fees”) and trail commissions from annuities.</p> <p>These commissions and other transaction-based charges create conflicts of interest for us. We will receive more compensation when there are more trades (and larger trades) in your account, so we have an incentive to encourage you to trade often, and place large trades. Also, we receive higher rates of sales commissions and other payments from some investment products than others, so we have an incentive to recommend higher-commission securities over lower-commission securities.</p>	<p>If you choose one of our wrap fee programs, you will pay us a quarterly fee that is equal to a percentage of the assets in your advisory account. The rate of these asset-based fees will be negotiated between you and your FH Consultants financial professional.</p> <p>Within each of our wrap fee programs, the asset-based fee pays for all asset management and other advisory services (whether provided by us, or third party asset managers), most transaction fees, and some custodial fees.</p> <p>Because the asset-based fees associated with our wrap fee programs include most transaction costs and some custodial fees, they are typically higher than an asset-based advisory fee that does not include those additional services.</p> <p>For one-time financial planning services, you will pay us either an hourly or fixed fee as negotiated between you and your FH Consultants financial professional.</p> <p>These payments create conflicts of interest for us. Even though our advisory fees do not vary based on the investments in your account, in many cases we will make more money if you select advisory services over brokerage services.</p> <p>Also, the more assets in your advisory account, the more you will pay in fees. Therefore, we likewise have an incentive to encourage you to increase the assets in your account.</p>
<p>You will pay other fees and costs to us and Pershing, LLC, our clearing firm which holds custody of your account assets. Some of the most common examples of other fees and costs you may pay directly or indirectly include custody fees, maintenance fees for retirement accounts, wire fees, account transfer fees, overnight mail charges, account inactivity fees, and transaction fees. Additional charges will apply for optional services you select, and if your account holds alternative investment funds and other special products.</p>	<p>Within our wrap fee programs, you will not be charged separately for commissions or most other transaction-based fees. However, in addition to our wrap fees you will also pay maintenance fees for retirement accounts, wire fees and other charges. Also, mutual funds and other funds pay management fees and other expenses (which investors pay indirectly), which are charged in addition to our advisory fees.</p>

Product fees and costs such as management fees and other expenses charged to mutual funds, ETFs and other funds, as well as premiums and other charges for annuities and insurance policies, are other examples of charges you will pay indirectly if you invest in these types of products.

For financial planning, you will not generally pay additional fees and costs on top of our advisory fees, but you will pay fees and costs associated with other advisory or brokerage services you select to implement your financial plan.

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 more detailed information about fees and costs for FH Capital's brokerage services, please review our Client Fee Schedule and Compensation/Conflict of Interest Disclosure, at firstheartland.com/disclosures.

For more detailed information about fees and costs for FH Consultants' investment advisory services, please review our Form ADV, Part 2A Brochure (in particular, Item 5), at firstheartland.com/disclosures.

Conversation Starter. Ask a financial professional the following questions to start a conversation about the impact of fees and costs on investments:

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?

Brokerage Services (FH Capital)	Investment Advisory Services (FH Consultants)
<p>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 services we provide to you. Here are some examples to help you understand what this means:</p> <p><u>Third Party Payments.</u> We receive sales commissions and other payments from certain investments we sell (or their sponsors), including mutual funds, UITs, alternative funds, annuities and other insurance products. This creates an incentive for us to recommend or select products that pay us these fees over those that do not, or that pay us lower fees.</p> <p><u>Revenue Sharing.</u> Our clearing firm (Pershing, LLC) shares with us some of its revenues from the fees and costs you pay for custody and other services to your brokerage account. This creates an incentive for us to recommend that you use services for which we receive revenue sharing payments.</p> <p><u>Principal Trading.</u> We execute "riskless" principal transactions of fixed income or other investments on your behalf. This means that, where you instruct us to buy (or sell) an investment for you, we will buy it and then sell it to you (or buy it from you and then sell it). In these cases, we charge you a mark-up (or mark-down) on the market price of the security you buy (or sell), which can be higher than the commission we would receive for effecting a trade directly with a third-party. This means we may have a financial incentive to recommend riskless principal transactions.</p>	<p>When we 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 investment advice we provide to you. Here are some examples to help you understand what this means:</p> <p><u>Revenue Sharing to Our Affiliate.</u> If you open an advisory account that is held with our affiliate FH Capital as the broker, our clearing firm (Pershing, LLC) shares with FH Capital some of its revenues from the fees and costs you pay for custody and other services to your account. This creates an incentive for us to recommend that you use services for which our affiliate FH Capital receives revenue sharing payments.</p> <p><u>Asset Managers.</u> Within our wrap fee programs, considered together with our financial professionals, we will make more money if you select our financial professionals to manage your account rather than a third-party asset manager. This creates an incentive for us to recommend that you use our financial professionals to manage your account.</p> <p><u>Low Trading Activity.</u> In an advisory account, the fees you pay do not decrease even if the level of trading is low. This means we have an incentive to recommend advisory accounts even in cases where brokerage (commission-based) services would be less expensive to you.</p> <p><u>Transaction Charges.</u> In an advisory account, transaction costs are paid out of the financial professional's share of the total advisory fee. As such, this creates an incentive for your financial professional to engage in fewer trades for your account.</p>

Conversation Starter. Ask a financial professional the following questions to start a conversation about conflicts of interest:

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

For more detailed information about conflicts of interest associated with FH Capital's brokerage services, please review our Compensation/Conflict of Interest Disclosure, at firstheartland.com/disclosures.

For more detailed information about conflicts of interest associated with FH Consultants' investment advisory services, please review our Form ADV, Part 2A Brochure, at firstheartland.com/disclosures.

How do your financial professionals make money?

Brokerage Services (FH Capital)	Investment Advisory Services (FH Consultants)
<p>Each of our financial professionals receives a percentage share of the commissions, mark-ups and mark-downs, sales commissions and other transaction-based charges that are paid to FH Capital (with respect to his or her clients). FH Capital typically receives these types of fees each time you trade, and the fees are higher the more securities you buy and sell with each trade. Therefore, our financial professionals have an incentive to encourage you to trade often, and to make large trades, which creates conflicts of interest.</p> <p>Also, we receive higher rates of sales commissions and other transaction-based charges from some types of investments, and some specific investment products, than others. Thus, this differential compensation is also a factor that influences our financial professionals' compensation. They have an incentive to recommend higher-commission securities over lower-commission securities, which is a conflict of interest.</p> <p>Our financial professionals are eligible to earn an incentive trip based upon the total revenues they generate for FH Capital and FH Consultants.</p>	<p>For investment advisory services, each of our financial professionals receive most of the advisory fees and other revenues that are paid to FH Consultants (with respect to his or her clients). Therefore, the revenues we receive for advisory services are a factor that influences our financial professionals' compensation.</p> <p>Because advisory fees are typically asset-based (except for financial planning), the level of client assets serviced by our financial professionals is also factor that influences their compensation. This creates a conflict of interest, because our financial professionals will make more money if they recommend that you increase your advisory assets with FH Consultants.</p> <p>Our financial professionals are eligible to earn an incentive trip based upon the total revenues they generate for FH Capital and FH Consultants.</p>

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

Yes. Both FH Capital and FH Consultants, and both firms' financial professionals, have legal or disciplinary history. Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter. Ask a financial professional the following questions to start a conversation about the financial professional's disciplinary history:

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

Additional Information

You can find additional information about FH Capital's brokerage services, or request a copy of this Relationship Summary, at firstheartland.com/disclosures.

You can find additional information about FH Consultants' investment advisory services in our Form ADV brochure, at firstheartland.com/disclosures.

You can also request up-to-date information, and a copy of this Relationship Summary, by calling us at (800) 444-7244.

Conversation Starter. Ask a financial professional the following questions to start a conversation about contacts and complaints:

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?