



September 2023

Form CRS – Central States Capital Markets, LLC

Item 1. Introduction Central States Capital Markets, LLC (“CSCM”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member of FINRA and the SIPC. We are also registered with the State of Kansas as an investment adviser. 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 you to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services *What investment services and advice can you provide me?*

We provide brokerage services to retail investors, including buying and selling of corporate debt securities, municipal securities, government securities, agencies, preferred and floating rate, equity securities, and mutual funds. In addition, we offer advisory services but only through our registration as a Kansas state-registered investment adviser and not as a broker-dealer registered with the SEC. For a more complete description of our services, please see our website at www.centralstatescapital.com and the investment adviser’s Part2A at <https://adviserinfo.sec.gov/firm/summary/155291>. Included in our offerings may be proprietary securities that are tax-free municipal bonds. We do not monitor the investments of our retail brokerage customers on a regular basis as a standard service. Generally, you make the ultimate decision regarding the purchase or sale of investments; however, under certain circumstances we may act with discretionary authority which means that we may buy and sell securities without seeking your prior permission. We have no account minimums. *For additional information, please see our website at www.centralstatescapital.com or contact our office at 913-766-6565 and request a copy of our Regulation Best Interest Disclosures.*

Questions to Ask Us:

- ***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?***

Item 3. Fees, Costs, Conflicts, and Standard of Conduct *What fees will I pay?*

If you open a brokerage account with us you will pay a transaction fee, generally called a commission, or mark-up or mark-down at the time you buy or sell a security. The more frequently your account trades, the more compensation we receive; as such, we are incentivized to recommend that you trade often. In addition, for mutual fund shares you will be charged a sales load or deferred sales charge upon purchase or sale, respectively, as well as underlying distribution charges in mutual funds such as 12b-1 fees and the underlying expenses and manager’s advisory fee. Any fee for services will be disclosed at the time of the initial and any subsequent transaction. If applicable to your account, you will be charged account maintenance fees, custodian fees, cash management fees, transfer fees, wire fees, and other transactional and product level fees. *For additional information, please contact our office at 913-766-6565 and request a copy of our Regulation Best Interest Disclosures or see our clearing firm’s Customer Disclosure Statement at <https://www.hilltopsecurities.com/media/1289/HTS-Customer-Information-Brochure.pdf>.*

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.

Questions to Ask Us:

- ***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 must 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 to you. The following are some examples to help you understand what this means.

Generally, we earn money by placing your trades with our clearing broker and being paid, by you, an agency fee to act as your agent in the transaction. However, for purchases and sales of government securities and municipal securities, we may act as a principal on those trades. Acting as principal means that we sell or buy from our own proprietary account and earn a mark-up or mark-down (profit) on these trades, so we have an incentive to encourage you to trade with us. Additionally, we earn money by the number and size of your transactions, so it is in our interest to recommend more transactions in order to increase our compensation. Further, we receive compensation from third parties related to investments you make in certain products such as mutual funds. We also received a rebate from our clearing firm for our customers whose cash assets are in our clearing firm's Bank Insured Money Market Program, which incentivizes us to hold cash within such program. Lastly, certain of our financial professionals are dually registered with our affiliate investment adviser. Such financial professionals are not compensated specifically for referring business between each entity, however, due to common ownership, it is in the interest of the broker-dealer to recommend investment advisory services to you, and we are therefore incentivized to do so. For additional information, please contact our office at 913-766-6565 and request a copy of our Regulation Best Interest Disclosures.

Question to Ask Us:

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

How do your financial professionals make money?

Our financial professionals make money by receiving a portion of the commissions or mark-ups or mark-downs on trades and from payments from other investment products such as mutual funds. In addition, they receive trailing compensation from mutual fund sponsors (12b-1 fees) that continue to be paid so long as you hold the investment. Compensation to financial professionals will vary based on investment type, as such, financial professionals are incentivized to offer investments to you which increase their overall compensation. For more information, request a copy of our Regulation Best Interest Disclosures. Our financial professionals do not receive bonuses. Financial Advisors in our Iowa office are paid an annual salary.

Item 4. Disciplinary History *Do you or your financial professionals have legal or disciplinary history?*

Yes, the firm and an associated person have as disciplinary history. You may go to www.investor.gov/CRS or www.BrokerCheck.Finra.org for a free and simple search tool to research us and our financial professionals.

Question to Ask Us:

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

Item 5. Additional Information

For additional information about our services, please see our website, www.centralstatescapital.com or www.investor.gov. You can request up-to-date information about us and request a copy of our relationship summary or Regulation Best Interest Disclosures by calling 913-766-6565. The Form CRS is also posted to our website.

Question to Ask Us:

- ***Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer?***
- ***Who can I talk to if I have concerns about how this person is treating me?***