

## Summary of Our Approach versus Brokerage Services for High Net Worth Clients

	<b>Maryland Capital Advisors Inc.</b>	<b>Private Client Services at Brokerage Firm</b>
<b>Regulation</b>	There are important regulatory distinctions between Registered Investment Advisors (RIAs) and brokers. RIAs have a fiduciary duty to clients and must render impartial and disinterested advice. Brokers, instead, are required to consider “suitability” when recommending trades (investment objectives, etc). In general, the RIA regulatory framework more closely aligns the interests of the RIA with the client.	
<b>- Disclosure</b>	Required to provide Form ADV which describes methods of compensation, conflicts-of-interest, and qualifications	No such disclosure required
<b>- Trading with clients</b>	Prohibited from trading “as principal” (buying from or selling to client from our own position)	Often earn significant, undisclosed profits by trading “as principal” with their clients
<b>Independence</b>	Selects best funds and investment vehicles -- not limited to any one firm	Primarily uses their firm’s funds and investment vehicles
<b>Portfolio Design</b>	Customized, asset class diverse, passively-managed portfolio using low-fee, institutional class investments	Usually an actively-traded portfolio using firm’s own, higher-fee funds and equity trade recommendations
<b>Portfolio Reporting</b>	Detailed, consolidated, clear presentation of performance dynamics, asset mix, tax gains/losses, and expenses	Generic statements sorted by security type, without transparency of costs, and asset-class analysis
<b>Compensation / Fees</b>	“Fee-Only”. MCA can only earn income from client assets, as established in your Advisory Agreement. No commissions or other compensation.	“Fee-Based” plus commissions, “mark-ups”, undisclosed mutual fund compensation, and profits from “as principal” trades
<b>Personalized Services</b>	Will work with client’s tax and legal counsel to ensure a coordinated approach to wealth management, charitable giving, and estate planning	Will seek to bring services “in house” that the firm can profit from – beyond that, little coordination with client’s advisors

