



Introduction

Enterprise Investment Company (“EIC”) is registered with the Securities and Exchange Commission as an Investment Adviser and The Enterprise Securities Company (“TESC”) is a Broker-Dealer; and is a member of FINRA and the Securities Investor Protection Corporation. Both companies are registered under the DBA of Pappas Financial. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences.

The SEC offers free and simple tools to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs) which also provides information tailored to educate retail investors about financial professionals.

What investment services and advice can you provide me?

Our firm offers brokerage and investment advisory services to retail investors including buying and selling securities.

Our investment adviser firm provides investment discretion for the following services. If you invest on a discretionary basis, our firm will buy and sell investments in your accounts without requiring your preapproval on an ongoing basis until you notify us in writing to switch. Our advisors have no authority to make any disbursements or transfers without permission from client. As part of our standard service, we monitor portfolio management services client accounts quarterly. There are no minimum requirements to open and maintain an account with EIC.

Selection of Other Advisers: EIC selects certain Independent Managers (“Sub-Advisors”) for professional investment management services. Through this arrangement, the client enters into an advisory agreement with the selected sub-adviser wherein the sub-adviser will then assist and advise the client in establishing investment objectives and implementing a proper investment strategy to meet those objectives.

Discretionary and Non-Discretionary Portfolio Management: We create a portfolio for the client that is tailored to their specific needs and investment goals.

Financial Planning: We provide a variety of financial planning and consulting services based upon an analysis of the client’s current situation, goals, and objectives.

Pension Consulting Services: We provide pension consulting services that consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan.

Our broker-dealer firm, TESC offers non-discretionary services, primarily in investment and insurance products to retail investors. This includes buying and selling mutual funds, estate planning, private placements, retirement planning, and annuity investments, which involve fixed and variable annuities. As part of our standard service, we monitor broker-dealer client accounts annually. We have no stated account minimums to open and maintain an account with TESC. You may select investments for your account, and we may recommend investments to you, but the decisions for your investment strategy and the purchase

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or sale of investments will be yours. We offer a large number of investment products, but we do not offer all products available in any given investment category. Other firms may offer investment products that we do not.

For additional information including minimum investment amounts, please see www.pappasfinancial.com or <https://adviserinfo.sec.gov/firm/summary/116889> for our Form ADV, 2A brochure (Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1)

Conversation Starter. We encourage you to ask your financial professional: ○ *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?

Selection of Other Advisers: Depending on the Sub-Adviser selected, fees are charged quarterly in arrears or in advance. The Sub-Adviser's fee schedule remains separate from the fees charged by EIC and based on the value of assets under management as of the last day of the calendar quarter.

Discretionary and Non-Discretionary Portfolio Management: EIC offers investment management services for an annual fee between 0.25% – 1.25% based on the amount of assets under management. Fees are charged quarterly in arrears or in advance depending on the agreement.

Financial Planning and Pension Consulting Services: EIC may charge hourly fees ranging from \$50 - \$350 per hour for providing financial planning and pension consulting services. Hourly fees are invoiced monthly upon completion of work performed.

Our fees can be assessed quarterly and are disclosed in our Form ADV Part 2A and Fee Schedule found on our website. Some fees create a conflict of interest described below.

- If our firm charges you an asset-based fees, more assets in the account will cause you to pay more in fees and therefore we may have an incentive to encourage you to increase the amount of money invested in those accounts.
- If our firm charges your performance-based fees arrangements, our firm is compensated for unrealized appreciation and therefore there is an incentive to make riskier or more speculative investments.

TESC's provides services that include mutual funds, variable annuities and private placements. These services have commission rates typically range from .50% - 5.00%. Regardless of the investment you purchase, the commission or purchase charges will be detailed in the investment's prospectus. With these types of investments, you will pay a commission to the company who will share all or a portion of that commission with us reducing the amount of your investment that "goes to work" for you.

Investments (including mutual funds and annuities) impose additional ongoing expenses such as internal management fees and distribution expenses. These increase the overall cost and will reduce the value of your investment over time. With variable annuities, you will incur additional fees if you select optional features or benefits with certain investments, and you will pay fees referred to as "surrender" or contingent deferred sales charges if you sell within a stated time period.

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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.

For more detailed information about our fees and costs please review our Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) which can be found at www.pappasfinancial.com or <https://adviserinfo.sec.gov/firm/summary/116889>

Conversation Starter. We encourage you to ask your financial professional: *o 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 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 must act in your best interest and not put our interests 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 and investment advice, we provide you.

Here are some examples to help you understand what this means.

- Our firm makes money by offering products and services to you that we in turn earn money on and therefore have an incentive to sell these products to you.

We are compensated directly by clients, and/or indirectly from the investments made on your behalf. You are charged a commission or sales charge on every transaction. Our representatives may also receive a portion of ongoing fees charged by mutual funds (“12b-1” fees) or annuities (trail commissions). Those fees also present a conflict of interest for us and our Financial Professionals.

Conversation Starter. We encourage you to ask your financial professional: *o How might your conflicts of interest affect me, and how will you address them?*

For additional information please review our Form ADV, Part 2A, Items 5, 10, 11 and 12 found at <https://www.adviserinfo.sec.gov/IAPD/default.aspx> or www.pappasfinancial.com.

How do your financial professionals make money?

Our firm earns additional revenue from our financial professionals when they manage accounts, invest for their clients and make certain recommendations. Our financial professionals also receive a base salary through our firm. In addition, our financial professionals may accept compensation for the sale of insurance products through Napco, Inc. and gives our firm an incentive to recommend insurance products based on the compensation received. Clients should be aware that the receipt of additional compensation by EIC creates a conflict of interest that may impair the objectivity of these individuals when making advisory recommendations. EIC and TESC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser and broker dealer.

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

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Yes, our firm has disciplinary history. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Conversation Starter. We encourage you to ask your financial professional:

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

Additional Information

You can find additional information about our services and request a copy of the relationship summary by visiting www.pappasfinancial.com; emailing at npappas@pappasfinancial.com or calling us at 248539-8282.

Conversation Starter. We encourage you to ask your financial professional: o *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?*

- o *Who can I talk to if I have concerns about how this person is treating me?*