



Client Relationship Summary

Form CRS/Form ADV, Part 3

February 2022

Karp Capital Management Corporation (KCM) is registered with the Securities and Exchange Commission as an investment advisor. Brokerage and investment advisory services and fees differ and it is important to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

What investment services and advice can you provide me?

Advisory Services: KCM offers portfolio management and wrap program services focused on strategies to reduce risk and move our clients toward their financial goals and sustaining a quality of life in retirement. KCM will develop an investment plan based on what we know about you from a series of meetings, calls, and questionnaires during the onboarding process. The plan will be re-visited throughout the course of working together.

We have discretionary control on investments for advisory accounts. You grant the authority to KCM to determine the securities to purchase and sell in your account. This discretion will remain in effect unless revoked by you or us. Positions/holdings are reviewed on a daily basis. We do not restrict our advice to limited types of products or investments. KCM generally requires a minimum of \$1,000,000 to establish a managed account relationship.

We offer financial planning services where we develop a sound, carefully structured financial plan that is customized to your needs. This service is provided for no additional fee for clients who receive investment advisory services on a discretionary basis and for an hourly or fixed fee for other clients upon request.

Additional information about our services is located in Items 4, 5, 7, 13 and 16 of our [Firm Brochure](#) and Items 4, 5, 6 and 9 of our [Wrap Brochure](#) (both available at adviserinfo.sec.gov/firm/brochure/131834).

- ✓ Given my financial situation, should I choose an investment advisory 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?

What fees will I pay?

Advisory Fees: Fees are based on a percentage of the value of the assets. The annual fee is billed in quarterly installments based on the value of the account on the last day of the quarter. Our fees typically range from 0.50% - 1.50% based on the account assets. You will pay the same fee whether you participate in our wrap program or not. Exceptions may be made to the published fee schedule under certain circumstances. The more assets there are in your account, the more you will pay in advisory fees. This gives us an incentive to encourage you to increase the assets in your account.

The broker/dealer (custodian) that holds your assets can charge you a transaction fee when we buy or sell an investment for you. The custodian's transaction fees are in addition to our fee for advisory services if you are not in the wrap program. If you participate in the wrap program, your advisory fees will include most transaction costs and fees charged by the custodian that has custody of your assets. We have an incentive to trade less frequently in the wrap fee program because trades increase the transaction costs. There may be additional fees/costs charged by the custodian of the account, these could include wire transfer charges, trade fees, and foreign withholding tax. Some investments, such as mutual funds, index funds, exchange traded funds, and variable annuities charge additional fees that will reduce the amount of money you make on your investments over time.

Financial Planning: We bill \$500 per hour, or a negotiated fixed rate for financial planning services. If you receive discretionary advisory services, we provide financial planning services at no extra charge. We have a conflict of interest when providing financial planning advice. If you decide to have us implement the advice given in the financial plan we are paid for investment management services as disclosed above.

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. Additional information about these fees and costs along with applicable conflicts can be found in Items 5 and 14 of our [Firm Brochure](#) and Item 4 of our [Wrap Brochure](#).

✓ Help me understand how these fees and costs might affect my investment. 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 acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment advisor, 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 you. Here are some examples to help you understand what this means.

Some of our financial professionals are also insurance agents who sell insurance products for a commission. These individuals have an incentive to recommend insurance products to you in order to increase their compensation. Some of our financial professionals are registered representatives of Infinity Financial Services (“IFS”), an SEC-registered broker/dealer. Your financial professional may offer you brokerage services through IFS or investment advisory services through us. You are encouraged to learn more about the differences between brokerage and investment advisory services and how they are paid by visiting Investor.gov/CRS. Your financial professional may earn transaction-based compensation and have additional conflicts of interest as a result of providing brokerage services through IFS. IFS services are used for some insurance products, and private placements when deemed appropriate for clients.

For clients with large cash positions, KCM may recommend participation in the Cantor Fitzgerald Insured Cash Account Program (“CF Cash”), a cash management solution designed to enhance the return and provide more FDIC insurance protections for cash balances. The CF Cash program is managed by StoneCastle Cash Management, LLC, an investment advisor registered with the SEC. When a client elects to participate in the CF Cash program, KCM will receive a referral fee of 0.1% of the average daily value of the assets placed in the program, paid on a monthly basis.

We recommend Fidelity Brokerage Services, LLC, to serve as custodian to our clients. Fidelity provides us with certain products and services at no cost that benefit us but do not benefit our clients. Certain of these products and services assist us in managing and administering our clients’ accounts and others help us develop our business. We also receive research and brokerage services from Fidelity for no additional cost. The receipt of these products and services creates a conflict of interest because it gives us an incentive to have clients choose Fidelity as a custodian.

Additional information about these conflicts and how we address them can be found in our [Firm Brochure](#), Items 5, 10 and 12 and our [Wrap Brochure](#), Items 4 and 9.

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

How do your financial professionals make money?

Our financial professionals are paid a salary. Some investment advisor representatives receive compensation based on the value of accounts brought in.

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

Yes. While our firm does not have any legal or disciplinary history, one of our financial professionals does. Investor.gov/CRS is a free and simple search tool to research Karp Capital Management Corporation and our financial professionals.

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

Additional Information

Additional information about our investment advisory services is available in our [Firm Brochure](#), [Wrap Brochure](#) and on our [website](http://www.karpcapital.com) (www.karpcapital.com). You may request up-to-date information or a current copy of this relationship summary by calling (415) 345-8185 or download it [here](http://adviserinfo.sec.gov/firm/summary/131834) (adviserinfo.sec.gov/firm/summary/131834).

✓ Who is my primary contact? 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?