

ITEM 1. INTRODUCTION

Lenox Financial Services, Inc. (the “Firm”) is registered with the Securities and Exchange Commission as a broker-dealer member of [FINRA](http://www.finra.org) (www.finra.org) and [SIPC](http://www.sipc.org) (www.sipc.org). The selection of an appropriate type of firm to work with is key as brokerage and investment advisory services and fees differ and it is important for you to 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.

ITEM 2. RELATIONSHIPS AND SERVICES**“WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?”**

We offer brokerage services to individual retail investors through cash, margin, or retirement accounts. We are permitted to engage in transactions in public equity, public corporate, municipal, and US government debt, 529 college savings plans, mutual funds, and variable products. While we do not specifically limit our products within these categories, we do not have selling agreements with all available product sponsors. We make recommendations, as deemed appropriate, regarding the purchase and / or sale of any of the above products. Brokerage transactions through our firm are done on a non-discretionary basis, for which you make the ultimate decision regarding the purchase or sale of investments. All recommendations that we make must be in your best interest. We do not offer account monitoring through our brokerage accounts, though we may, from time to time, perform such reviews at our discretion or per your request. We do require a minimum of \$5,000 when opening a brokerage account. The Firm became registered with FINRA in July, 1994. Douglas Ruth is the sole shareholder.

Conversation Starters: Not sure what to ask next? The questions below can be a jumping off point to start a conversation about relationships and services:

- “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?”**

The Firm is compensated in the form of commissions, 12b-1 fees, and trails. Commissions vary by product. With respect to equity and debt products, we charge a commission of up to 2%, with a minimum commission of \$60 per transaction. Mutual funds and variable product commissions and fees vary by product. Please ask your financial professional or refer to the product prospectus or contract for additional information on a specific product.

In addition to the above compensation items, you will also be responsible for other fees charged to your account, if/when they become applicable. These additional fees include third party taxes, service fees, yearly account inactivity fees charged by the custodian, IRA yearly account fees, and IRA account closing fees.

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.

Conversation Starter: Not sure what to ask next? The question below can be a jumping off point 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? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?”

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

Third-Party Payments: We receive third party compensation in the form of 12b-1 fees from mutual fund product sponsors. These 12b-1 fees vary by product and, in some cases, are not paid at all. This incentivizes the Firm and its financial professionals to recommend those products that not only pay 12b-1 fees, but pay higher fees.

Transaction-Based Compensation: Our compensation is based upon a fee for each transaction. As such, the Firm and its financial professionals are incentivized to recommend more transactions in order to generate revenue.

We protect against these conflicts through disclosure in this document, regular transaction reviews, routine maintenance of investor profile information, and a general prohibition on any recommendation that is not in the best interest of the customer.

Conversation Starter: Not sure what to ask next? The question below can be a jumping off point to start a conversation about conflicts of interest:

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

Should a conflict exist with respect to a specific recommendation, your financial professional will disclose the conflict and the means by which it is mitigated prior to or concurrently with the recommendation.

“HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?”

Our financial professionals are compensated through multiple means. While Doug Ruth is compensated only through salary and dividends (as sole shareholder), other registered representatives are compensated through a percentage of the revenue they generate. As such, this creates a conflict of interest where they are incentivized to recommend products that pay higher commissions, 12b-1s, or trails or to recommend a higher number of transactions to generate revenue. We address this conflict through disclosure in this document, routine review of daily transactions against the best interest standard, and a prohibition on recommendations that are not in your best interest.

ITEM 4. DISCIPLINARY HISTORY

“DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?”

Yes. For more information, visit investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter: Not sure what to ask next? The question below can be a jumping off point 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?”

ITEM 5. ADDITIONAL INFORMATION

For more information on our firm and services, please visit investor.gov/CRS or our website at <http://www.lenoxfinancialservices.com>. You may also contact Douglas Ruth at 815-485-5559 with specific questions, concerns, or complaints, to request up-to-date information, or to request a copy of the Firm’s current Customer Relationship Summary.

Conversation Starter: Not sure what to ask next? The question below can be a jumping off point to start a conversation about the 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?”