

# **Paragon Capital Management, Ltd.**

## **Client Relationship Summary (Form CRS)**

June 2020

### **Introduction**

Paragon Capital Management, Ltd. (Paragon”) is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. An investment adviser’s services and fees differ from a broker’s, and it is important for you, a retail investor, to understand the differences. You can access educational materials as well as research broker-dealers, investment advisers, and investing with the free and simple tools at [www.investor.gov/CRS](http://www.investor.gov/CRS), which is maintained by the SEC. This summary provides an overview of our firm and our services. However, a more complete picture is provided in our brochure, ADV Part 2A, which is on our website ([www.pcm-net.com](http://www.pcm-net.com)); furthermore, the questions at the end of this document represent conversation starters, so you can learn more about specific issues and how they might affect your decisions.

### **What investment services and advice can you provide me?**

Paragon offers financial planning and investment management services. Our financial planning covers retirement, estates and trusts, income tax, employee benefits, insurance, and education as well as other areas. We initially meet with you to go over your goals and objectives, your current assets, income and expenses, as well as to understand your comfort with different levels of risk. Then we develop a financial plan and an investment policy that is the basis for the portfolio we construct to meet your goals and objectives. We regularly monitor your investments and communicate with you, reporting to you quarterly, and rebalancing your portfolio as necessary based on your investment policy and capital market conditions.

Client accounts are typically managed on a discretionary basis, which means that you give Paragon the authority to buy and sell securities on your behalf. The amounts and types of investments we make in your accounts are outlined and constrained by your investment policy statement. For additional information about our services and advice please click [https://pcm-net.com/assets/pdfs/ADV\\_Part2A.pdf](https://pcm-net.com/assets/pdfs/ADV_Part2A.pdf) to read our ADV disclosure brochure.

### **What fees will I pay?**

We charge based on the value of your equity and fixed income investments. For fixed income investments, we charge 0.25% of their value per year. For equity investments, we charge 1% of the first million of value after which the rate drops progressively to 0.15% for the largest portfolios. Our minimum fee is \$7,000. More information is available on page 5 of our ADV part 2A. Fees are negotiable. You may pay additional fees in connection with investments that we make. Individual stocks have no added costs. Mutual funds and ETFs charge fees, and some mutual funds are subject to transaction costs. 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 cost you are paying.

**What are your legal obligations to me when acting as my financial adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser, 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 advice that we provide you. For example, our fee schedule creates a conflict: higher fees on equities could lead to higher equity allocations. We discuss conflicts in our ADV Part 2A.*

Our revenue comes exclusively from advisory fees. We do not receive commissions, 3<sup>rd</sup> party payments, revenue sharing, or any additional compensation from the investments that we recommend.

**How do your financial professionals make money?**

Our finance professionals are paid a salary and bonus. Their compensation is related to their contributions to Paragon and client service.

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

No, Paragon and our financial professionals do not have any legal or disciplinary history. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research Paragon and our financial professionals.

**Additional Information**

You can find additional information about our firm's investment advisory services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #105147. You may also contact our firm at (303)-293-3680 to request a copy of this relationship summary and other up-to-date information.

**Questions to Ask Us:**

- 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 those qualifications mean?
- Help me understand how these fees and costs may affect my investments. If I give you \$1,000,000 to invest, how much will go to fees and costs and how much will be invested for me?
- How might your conflicts of interest affect me, and how will you address them?
- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser?
- Who can I talk to, if I have concerns about how this person is treating me?
- What is the difference between the fiduciary standard that applies to investment advisers and the best interest regulation that applies to broker?