

## U.S. Boston Capital Corporation

### Regulation Best Interest Disclosure Document

June 30, 2020

*This document should be read together with Form CRS -the Customer Relationship Summary to fully understand our products, fees and conflicts of interest.*

#### ***Introduction***

This disclosure contains information about the business practices, compensation and conflicts of interest related to the brokerage business of U.S. Boston Capital Corporation (referred to as “we,” “us,” or “USBCC”). Additional information about USBCC and its financial professionals is available on FINRA’s website at <http://brokercheck.finra.org>.

While we take reasonable care in developing and making recommendations to you, securities involve risk, and you may lose money. There is no guarantee that you will meet your goals, or that our recommended investments and strategy will perform as anticipated. Please consult any available offering documents for any security we recommend for a discussion of risks associated with the product.

#### ***Capacity, Products and Services We Offer***

##### **Capacity**

Although many firms offer both brokerage and investment advisory services, some offer only brokerage services and others offer only investment advisory services. We only offer brokerage services. All recommendations are made in a broker-dealer capacity.

In brokerage relationships, investors pay transaction-based fees in connection with the products and services they receive, such as buying and selling stocks, bonds, mutual funds, and other investment products. These include commissions, transaction fees, loads and sales charges. Compensation to USBCC includes commissions, transaction fees, trail commissions, loads and sales charges that are embedded in the purchase price.

##### **Products**

While we have access to a wide variety of investments, we typically offer clients a limited menu of investments.

**Proprietary Mutual Funds:** Our primary offerings for mutual funds are the Pear Tree Funds. We are the distributor of the Pear Tree Funds and are affiliated with Pear Tree Advisors, Inc., the investment manager and transfer agent for the Pear Tree Funds. We offer a limited number of non-proprietary mutual funds.

**Money Market Mutual Fund.** If you want us to help facilitate money movement using your money market fund such as to purchase an investment or to fund personal expenses, we offer only one mutual fund, the Dreyfus General Money Market Fund. As the broker-dealer on your account and with permission from you, Dreyfus allows us to act on your instructions to move money into and

out of your Dreyfus General Money Market Account. This money market mutual fund charges a 12b-1 fee. This fee is charged based on the assets held in your account. We receive a portion of the 12-1 fee. For more information see the prospectus at <https://im.bnymellon.com/us/en/individual/funds/370375107#?section=performance>.

**Proprietary Private Placements:** We act as placement agent for proprietary private placements. Most of the private placements we offer are managed by Pear Tree Partners, LP, an affiliate.

**General Securities:** While we offer the ability to buy and sell stocks and bonds and other securities through a brokerage account held at a clearing broker, these accounts are offered solely as an accommodation for those clients who hold such securities. We do not maintain a research department and do not analyze specific companies' securities and generally do not recommend that clients purchase individual equity or fixed-income securities. Our financial professionals make recommendations regarding these securities in limited circumstances. Examples include improving the total diversification of assets in your portfolio such as asset allocation, tax considerations or to assist in the sale of restricted stock or other concentrated positions.

**Other Products:** While we can provide and recommend additional products at your request or when it is in your best interest, we realize some clients may want different services and products. Therefore, you may wish to seek other financial professionals who may offer products and services better designed to meet your needs.

## Services

**Account Monitoring:** As a client, you may choose to limit your relationship with us to transactions only. We also offer a full-service relationship that consists of periodic meetings to discuss your financial situation including tracking your assets either quarterly, semi-annually or annually. We do not offer the investment monitoring services (e.g., daily, weekly, monthly, etc.) that some investment professionals offer. For example, some financial professionals may review daily, weekly and monthly reports and adjust your portfolio based on market conditions or other factors.

**Minimum Investment Amounts:** USBCC does not require any investment minimums. However, some mutual funds and other investments, such as private securities, may have investment minimums or may charge higher fees to clients with balances below certain thresholds.

### *Account recommendations*

USBCC recommends different types of accounts for you depending on your needs, objectives, investment strategy and goals. Account types include mutual fund accounts, brokerage accounts, 529 Plans, retirement accounts, as well as recommendations to roll over or transfer from one type of an account to another (e.g., a workplace retirement plan account to an IRA).

### *Revenue from Transactions*

#### **A. Revenue from Clients**

Our brokerage revenue from clients includes:

- 1. Commissions:** We receive commissions you pay when you buy or sell equities and fixed-

income investments (this applies when we act as agent or broker) through a brokerage account held at our clearing broker. Please see commission schedule at Exhibit A. We share this revenue with your financial professional.

- 2. Sales loads:** Sales loads (sales charges), commissions or concessions derived from the offering and sale of various managed investments such as mutual funds and 529 Plans. A commission, or sales load, is typically paid at the time of the sale and can reduce the amount available to invest. For more information about other commissions that apply to a particular transaction, please refer to the applicable product disclosure form, investment prospectus, or offering document. We share this revenue with your financial professional.

## **B. Revenue from Third Parties**

Our revenue from third parties includes:

- 1. Trail Compensation and/or 12b-1 Fees:** Payments from mutual fund and 529 Plans in the form of distribution and/or service fees (12b-1 fees) and trail commissions are fully described in the applicable prospectus or offering document. 12b-1 fees and trails are typically paid from the assets of the investment product and the amount is calculated as an annual percentage of assets invested by you. The more assets you invest in the product, the more fees we earn. Therefore, we have an incentive to encourage you to increase the size of your investment. The percentage of assets received varies by product, which creates an incentive to recommend products paying higher trails. We share this revenue with your financial professional. This creates a conflict for your financial professional to recommend funds paying higher trail compensation. We manage this conflict by disclosing it to you.

The ongoing 12b-1 trail payment depends on the class of shares but is typically between 0.25% and 1% of assets annually.

- 2. Noncash Compensation:** Third-party providers may also give financial professionals gifts up to a total value of \$100.00 per provider per year, consistent with industry regulations. Third parties may occasionally provide financial professionals with meals and entertainment of reasonable value. We want you to understand that this creates a potential conflict of interest to the extent that this may cause financial professionals to prefer those products that provide these noncash incentives. We address these conflicts of interest by maintaining policies and procedures regarding the sale and supervision of the products and services we offer to you, and by disclosing our practices to ensure you make a fully informed decision.

## ***Conflicts of Interest***

**Proprietary Mutual Funds:** Pear Tree Funds are proprietary mutual funds. An affiliate of ours, Pear Tree Advisors, Inc., is the investment manager. Pear Tree Advisors also acts as the transfer agent for the Pear Tree Funds. As investment manager, Pear Tree Advisors earns management fees that are based on the amount of assets in the Pear Tree Funds. As transfer agent, Pear Tree Advisors earns a fee for its services based on the assets in the Pear Tree Funds. These fees and other information are discussed in detail in the Pear Tree Funds' Prospectus and Statement of Additional Information which can be found at [www.peartreefunds.com](http://www.peartreefunds.com).

**Proprietary Private Placements:** The private placements our firm offers are limited to proprietary products. Most of the private placements we place are limited liability companies that are managed by an affiliate, Pear Tree Partners, LP. Once a private placement offering is completed, Pear Tree Partners acts as the managing member receiving 10% of all distributions. For more information about Pear Tree Partners please call 1-800- 331-1244 to obtain the firm's Form ADV and Part 2A brochure.

Registered representatives of USBCC have ownership interests in Pear Tree Partners Management, LLC the general partner of Pear Tree Partners, LP. Registered representatives receive a percentage of USB Focus Fund distributions as a result of this relationship.

**Registered Representative Conflicts of Interest:** Our associated persons may have conflicts of interest beyond than those described here and in our Customer Relationship Summary. The associated persons will tell you of any additional material conflicts of interest at the time of a recommendation.

**Exhibit A**

**Commission Schedule**

<b>Principal greater than or equal to</b>	<b>But less than</b>	<b>Commission is:</b>	<b>Plus</b>
<b>\$0</b>	<b>\$2,500</b>	<b>1.70%</b>	<b>\$30</b>
<b>\$2,500</b>	<b>\$6,250</b>	<b>.66%</b>	<b>\$56</b>
<b>\$6,250</b>	<b>\$20,000</b>	<b>.34%</b>	<b>\$76</b>
<b>\$20,000</b>	<b>\$50,000</b>	<b>.22%</b>	<b>\$100</b>
<b>\$50,000</b>	<b>\$500,000</b>	<b>.11%</b>	<b>\$155</b>
<b>\$500,000</b>		<b>.09%</b>	<b>\$255</b>

**Example**

**If we process a \$20,000 equity transaction for a client, the client will pay a \$144 commission.**

$$\mathbf{\$20,000 \times .0022 = \$44 + \$100 = \$144}$$