

MAGNOLIA CAPITAL MANAGEMENT, LTD Form CRS

Item 1 Introduction

06/15/2020

MAGNOLIA CAPITAL MANAGEMENT, LTD is registered with the Securities and Exchange Commission as an Investment Adviser.

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.

Item 2 Relationships and Services

What investment services and advice can you provide me?

Our firm offers the following principal investment advisory services to retail investors.

Magnolia Capital Management, Ltd does not accept accounts from the general public. It only acts as an investment advisor for clients known to and recommended by the principals of the company (see our ADV Part 2B - Supplemental Brochure for list of principals).

Our firm primarily offers the following investment advisory services to retail investors:

- Financial planning: Assisting clients in developing and implementing wealth management plans which meet their needs for liquidity, periodic income and capital preservations.
- Portfolio Management: Building and operating investment portfolios which reflect client's agreed wealth management plans. These ongoing services can be provided on a fully discretionary basis (e.g., Magnolia has the complete discretion in the selection of any individual security for purchase or sale for that client's account). Alternatively, they can be provided on a non-discretionary basis wherein all purchase and/or sale recommendations **must** be pre-approved by the client before execution.

In either case, (discretionary or non-discretionary), all accounts are required to be operated within the constraints of the agreed wealth management plan. Also, in either case, all security purchases/holdings must meet the company's investment policy standards, e.g., traded openly on a leading, recognized exchange for equities, and possessing no less than "investment grade" rating for fixed income securities and no lower than a "hold" rating (from S&P or Morningstar) for mutual funds. Additionally, no private placements, initial public offerings or unrated securities will be recommended to, or purchased for clients.

The minimum account size is \$500,000. Accounts under \$100,000 are generally not accepted unless related accounts total over \$1,000,000..

For additional information including minimum investment amounts, please see <https://www.adviserinfo.sec.gov/IAPD/default.aspx> 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 starters. Ask your financial professional:

– *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?*

Item 3 Fees, Costs, Conflicts and Standard of Conflict

What fees will I pay?

All of our fee levels are agreed in advance. Our fees can be assessed quarterly and are disclosed in our Form ADV Part 1A, Item 5.E. and more fully described in our Form ADV Part 2A, Items 5.A., B., C., and D. Some fees create a conflict of interest described below and in more detail in our Firm's Part 2A.

- If our firm charges you asset based fees, more assets in your 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 hourly fees, our firm has an incentive to recommend specific courses of action that may lead to additional billable hours and thus the firm receiving additional compensation.

There are no other fees or costs related to our services.

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 <https://www.adviserinfo.sec.gov/IAPD/default.aspx>.

Conversation starters. Ask your financial professional:

– 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 acting as my investment 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 we provide you. Here are examples to help you understand what this means.

- Our firm makes income by offering services to you which earn income to us and therefore we have an incentive to sell these services to you. Our services are strictly fee based. No commissions are earned by the firm.

Conversation starters. Ask your financial professional:

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

Additional information:

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 <https://www.adviserinfo.sec.gov/IAPD/default.aspx>.

How do your financial professionals make money?

- Salary and annual performance bonus. No commission is earned or paid on product or services income.

Item 4 Disciplinary History

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

Our firm has no disciplinary history. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Conversation Starters. Ask your financial professional:

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

Item 5 Additional Information

You can request a copy of Form CRS (the relationship summary) by visiting www.magnoliacapitalmanagement.com; emailing at admin@magnoliacapitalmanagement.com or calling us at 845-809-5259.

Conversation starters. Ask your financial professional:

– 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?