

Introduction

Middleton & Company, Inc. (“Middleton”) is an investment adviser registered with the Securities and Exchange Commission. Investment advisory services and fees differ from those of a broker-dealer, and it is important for you to understand the differences. There are free and simple tools that allow you to research firms and financial professionals at www.investor.gov/CRS. This website also provides educational materials about investment advisers, broker-dealers, and investing.

What investment services and advice can you provide me?

Middleton provides comprehensive investment advice designed to meet the specific goals and needs of our clients. We offer our clients a framework of five investment strategies and use these strategies to build portfolios within the context of a client’s existing holdings and current objectives. For each client, a specific strategy or a combination of strategies may be appropriate. We will meet with you to understand your current financial situation, existing resources, goals, and risk tolerance. Based on this information, we will recommend a portfolio of investments that is regularly monitored to ensure consistency with your investment objectives and meet your changing needs. We will provide you with monthly and/or quarterly account statements as well as quarterly market analysis.

We provide advice on a discretionary basis, which means we can buy or sell securities in your account without asking for your approval in advance. We also offer investment advice on a non-discretionary basis where you make the ultimate decision regarding the purchase or sale of investments. Our investment recommendations generally are limited to providing advice regarding publicly-traded securities, exchange-traded funds, mutual funds, municipal and U.S. government securities, corporate debt securities, and private investment funds. As a matter of policy, we avoid alcohol, tobacco, and gaming stocks. We do not offer proprietary products. Middleton generally requires a minimum account size in excess of \$1,000,000, although this minimum may be waived under certain circumstances.

For more information about Middleton and our advisory services, please see Items 4, 7, 13, and 16 of our [Form ADV Part 2A \(“Brochure”\)](#), which is available in paper format upon request and on our website at www.middletonco.com.

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?*

What fees will I pay?

Advisory Fees. Our fees are generally charged based on a percentage of assets under management on a quarterly basis in advance at the beginning of each calendar quarter. Our fee schedule is tiered, with a maximum rate of 1.10% per year on the first \$1,000,000 of assets and with lower rates for assets over \$1,000,000. A general fee schedule is included in Item 5 of our Brochure. Under certain circumstances, fees may be negotiated and may vary with respect to individual clients. Given that our advisory fee is based on the total assets we manage for you, we have an incentive to increase the value of those assets and to encourage you to increase the assets in your account as this will increase our fees.

Third-Party Costs. In addition to the fees we will collect, you may be charged brokerage commissions, transaction fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions by custodians, brokers, and other third parties. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. These charges, fees, and commissions are exclusive of and in addition to our fee, and we do not receive any portion of these commissions or fees.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of

Form ADV Part 3 - Client Relationship Summary

June 30, 2020

money you make on your investments over time. Please make sure you understand what fees and costs you are paying. **For additional information about our fees, please see Item 5 of our [Brochure](#).**

Questions to Ask Us:

- *Help me understand how these fees and costs will 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 affect the investment advice we provide to you. Here are some examples to help you understand what this means.

- **Advisory Fees.** As discussed above, our asset-based fee can create a conflict of interest as we have an incentive to encourage you to add assets to your account and to increase the value of your assets in order to increase our fees.
- **Soft Dollars.** You may pay brokerage commissions that are higher than those charged by other broker-dealers in return for our receipt of research and research-related products that aid our investment decision-making responsibilities. This creates an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products, rather than a client's interest in best execution.

As a fiduciary, Middleton must, at all times, serve the best interests of our clients and may not place our own interests ahead of the interests of our clients. **Additional information about our conflicts of interest can be found in Items 11 and 12 of our [Brochure](#).**

Questions to Ask Us:

- *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 compensated based on a portion of the revenue the firm earns from the fees collected on the client assets they manage. This creates a conflict of interest because our financial professionals have an incentive to encourage you to increase your assets in your account and recommend our advisory services to you. We do not sell proprietary products and our financial professionals do not receive direct or indirect compensation for buying or selling securities.

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

No, neither Middleton nor our financial professionals have legal or disciplinary history. **Please visit www.investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.**

Questions to Ask Us:

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

Additional Information

You can find additional information about our investment advisory services on the SEC's website at www.adviserinfo.sec.gov. You may also contact our firm at (800) 357-5101 to request a copy of this Client Relationship Summary and talk to any one of our investment professionals.

Questions to Ask Us:

- *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?*