



Passco Capital, Inc.
Member FINRA/SIPC

Client Relationship Summary

November 1, 2023

Item 1: Introduction

Passco Capital, Inc. ("PCI" or "Firm") is registered as a broker-dealer with the U.S. Securities and Exchange Commission ("SEC"), a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and Securities Investor Protection Corporation ("SIPC"). Brokerage and investment advisory services and fees differ, and it is important for the retail investor 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: Relationship and Services

What Investment Services and Advice Can You Provide Me?

Our business is limited to offering direct participation and private placement programs of our affiliate. We offer brokerage services to retail investors on a limited, accommodation-only basis. Most of our retail clients have had a long-term relationship with PCI and its affiliates. Occasionally our retail clients are referred to us by non-affiliated advisors who have clients seeking real estate-related alternative investments, often for the purpose of IRS Code 1031 exchanges. We will guide you in the completion of the steps necessary to complete a 1031 exchange, which includes identification of investment property and completion of Subscription and New Account Documents. **For more information, please refer to our New Account Documents package.** We can only make investment recommendations of our affiliates' programs to retail investors; the retail investor makes the ultimate decision regarding the purchase or sale of any investments.

Monitoring:

After the investment is made, PCI does not perform or provide monitoring for your investment. You will receive reports from the product sponsor monthly, quarterly, and annually.

Investment Authority:

You may invest through PCI, but PCI will never have on-going discretionary authority over any of your accounts.

Limitations:

1. We only offer proprietary products, each of which may have unique product limitations/requirements and minimum investment size set by the product sponsor. PCI is not a full-service broker-dealer.
2. We sell to individuals, corporations, qualified plans, trusts, etc. in a one-time investment only.
3. Our products are limited to purchase by accredited investors only.
4. The majority of our products are sold through other broker/dealers, but with PCI you have a limited selection of products.

Conversation Starters ~ Please ask us:

1. *Given my financial situation, should I choose a brokerage service? Why or why not?*
2. *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*
3. *How will you choose investments to recommend to me?*

Our Financial Professionals ("FP") will act in the best interest of the retail customer at the time the recommendation is made, without placing the financial or other interest of the broker-dealer ahead of the interests of the retail customer.

Item 3: Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay?

1. Fees charged by the product sponsor and others are disclosed in the PPM. Transaction-based fees charged by the product sponsor will not exceed 8.75% of your investment. PCI does not charge additional fees over and above what the product/PPM discloses.

(Continued on page 2)

Conversation Starters ~ Please ask us:

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?

2. The transfer agent employed by PCLLC charges a monthly service fee per investor that is paid out of the operating cash flow of each investment property.
3. Fees for special requests, such as an estate settlement response, will be disclosed prior to beginning any special service and charged by the transfer agent.
4. Our FPs are employees of the product sponsor and may also receive a commission on retail sales, thus there may be a conflict of interest.

You will pay fees & costs whether you make or lose money on your investments. Fees & costs will reduce any amount of money you make on your investment over time. Please make sure you understand what fees & costs you are paying. **For more information, please refer to the PPM.**

What are your Legal Obligations to me when providing recommendations as my registered representative? How else does your Firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your FP, 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:

1. We only offer proprietary products issued, sponsored, and managed by our affiliate. As such, we are limited in the potential investments we can offer or recommend. Please be sure to ask your FP to explain these details.
2. Since we are not managers of all of your assets it may be difficult for us to advise you on your portfolio. We can recommend our product if it is in your best interest but cannot compare it to other investments you are considering or have.

How do your Financial Professionals Make Money?

Our FPs receive a salary and sometimes may receive a commission. Incentives may be created by selling proprietary products that include cash/non-cash compensation in addition to compensation received as an employee of the product sponsor.

Conversation Starters ~ Please ask us:

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

Conflicts of Interest:

Because our FPs are both PCI registered representatives and employees of the product sponsor they have a potential conflict of interest related to the different types of compensation they can receive. We only sell proprietary products so you would not have as many investment choices as you would if you were buying through a full-service broker/dealer. ***Please refer to the PPM for more information regarding conflicts of interest.***

Cash/Non-Cash Compensation:

FPs of our Firm are also employees of the product sponsor of the investment products we offer. These FPs receive a salary and may participate in a profit-sharing program offered by the product sponsor. As a selling FP they may also receive a commission, which is reviewed and approved by PCI to confirm it is prudent, reasonable and not excessive and to confirm compliance with industry standards. This compensation will be paid by the product sponsor.

Item 4: Disciplinary History

Do You or Our Financial Professionals Have Legal or Disciplinary History?

Yes. You can visit investor.gov/CRS for a free simple search tool to research our Firm and Financial Professionals.

Conversation Starters ~ Please ask us:

As a financial professional, do you have any disciplinary history? If yes, for what types of conduct?

Item 5: Additional Information

To request a copy of our Relationship Summary or to request up-to-date information about Passco Capital call us at 1-949-263-7904.

Conversation Starters ~ Please ask us:

1. Who is my primary contact person?
2. Is he or she a financial professional of an IA or a BD?
3. Who can I talk to if I have concerns about how my financial professional is treating me?