



February 19, 2025

FORM CRS RELATIONSHIP SUMMARY

Who are we?	Texas Securities, Inc. (TSI) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer, and is a member of the Financial Industry Regulatory Authority (FINRA) and SIPC. Brokerage and investment advisory services and fees differ and it is important that you understand those differences. Free and simple tools are available to research firms and financial professionals at www.Investor.gov/CRS , which also provides educational materials about broker-dealers, investment advisers, and investing.
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Conversation Starter	“Given my financial situation, should I choose a brokerage 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?”
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What investment services and advice can you provide me?	We offer limited brokerage services to accredited retail investors. After we obtain information from you relating to your investment objectives, your risk tolerance, liquidity requirements, investment time horizon, and other information about your financial situation, we then determine whether it may be in your best interest to invest in the oil and gas private placements, referred to as Joint Venture Interests. We only offer Interests in Joint Ventures sponsored by Crown Exploration II, Ltd. (Crown). We do not monitor retail investors' investments or their portfolios. If you decide to invest in a Joint Venture offering, you will not be opening an account with us. Instead, you will be a partner in the Joint Venture itself. The minimum initial participation in a Joint Venture can range from \$30,000 to \$50,000. More detailed information about our services is included in our Relationship Summary Supplement, which is being provided to you and is available upon request.
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Conversation Starter	“Help me understand how these fees and costs might affect my investments. If I invest \$30,000 in a Crown-sponsored Joint Venture, how much will go to fees and costs, and how much will be invested for me?”
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What fees will I pay?	We receive a Placement Agent Fee of 15% of the total amount of monies paid to capitalize each Joint Venture for purposes of drilling and completing wells. In turn, we will pay our Registered Representatives between 7% and 15% out of the Placement Agent Fee. You will be obligated to pay various fees and costs to Crown Exploration II, Ltd. or to the Joint Ventures in which you invest. Those fees and costs are described in detail in the Confidential Information Memorandum for each Joint Venture, which will be provided to you before or at the time we make a recommendation. Other than the fees we receive related to the capitalization costs for drilling and completing the oil and gas wells, we do not receive any other fees. For additional information about our fees, please see our Relationship Summary Supplement, which is being provided to you and is available upon request. 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.
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What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?	<i>When we provide you with a recommendation, 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:</i> • Joint Venture Interests: We economically benefit from the sale of Joint Venture Interests and, therefore, we have an incentive to recommend those investments to you. • Third-Party Payments: Because each of the Joint Ventures is sponsored by Crown, we receive Placement Agent Fees from Crown for the sale of Joint Venture Interests. We do not generate money from any other revenue source. Thus, we have a conflict of interest that is inherent in our business. Additionally, the Firm is owned by a trust to which the two adult children of Shawn and Danice Grisham are beneficiaries. Mr. and Mrs. Grisham are part owners of Crown and are, respectively, its President and Corporate Secretary. More detailed information about our conflicts of interest is included in our Relationship Summary Supplement, which is being provided to you and is available upon request.
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Conversation Starter	<i>“How might your conflicts of interest affect me, and how will you address them?”</i>
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How do your financial professionals make money?	Our Registered Representatives are paid commissions for the sale of Joint Venture Interests ranging from 7% to 15%. In addition, we may pay our Registered Representatives semi-annual and/or annual discretionary bonuses. The economic benefits they receive can create a conflict of interest in that they have an incentive to recommend those investments to you.
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Conversation Starter	<i>“As a financial professional, do you have a disciplinary history? For what type of conduct?”</i>
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Do you or your financial professionals have legal or disciplinary history?	Yes. In November 2011, the Firm entered into a settlement with FINRA as a result of a net capital deficiency on two occasions in 2010. We instituted procedures to prevent future deficiencies and paid a \$5,000 fine. We have Registered Representatives with legal or disciplinary history. Please visit www.Investor.gov/CRS for a free and simple search tool to research the Firm and our Registered Representatives.
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Conversation Starter	<i>“Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”</i>
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Additional Information	For additional information about our brokerage services, please refer to our Relationship Summary Supplement, which is being provided to you and is available upon request by calling (972) 492-0058. You may also request additional copies of this Relationship Summary and any other up-to-date information.
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RELATIONSHIP SUMMARY SUPPLEMENT

Oil and Gas Investing Involves a High Degree of Risk

While Texas Securities, Inc. ("We" or the "Firm") will take reasonable care in developing and making recommendations to you, oil and gas investing involves a high degree of risk, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended oil and gas Joint Ventures will perform as anticipated. Please consult the **Confidential Information Memorandum** for any Joint Venture we recommend for a discussion of the risks associated with the Joint Venture. Should you need an additional copy of that document, please let us know and we will be happy to provide it to you.

Conflict of Interest

The Firm offers one type of product: Interests in Joint Ventures that drill, test, and if appropriate, complete oil and gas wells. The Joint Ventures are sponsored by Crown Exploration II, Ltd. ("Crown"). The Firm and Crown have a contractual relationship whereby we pay Crown monthly fees for accounting and administrative assistance, as well as other overhead expenses. We do not offer any other product types; nor do we offer products sponsored by any other company. As a result, the Firm has conflicts of interest due to its relationship with Crown and the materially limited product offering.

In addition, we pay our Registered Representatives commissions based upon the Joint Venture Interests they sell. Those commissions range from 7% to 15%. The commissions are paid out of the Placement Agent Fee the Firm receives from Crown. Crown pays us the Placement Agent Fee out of the Joint Venture capitalization monies Crown receives from investors, which are primarily retail customers, for the drilling, testing, and if appropriate, completion of Joint Venture wells. Other than semi-annual and/or annual discretionary bonuses that we may pay our Registered Representatives, commissions are the only compensation they receive from us.

In an effort to help mitigate the conflicts of interest, we only recommend the Joint Venture Interests to retail customers that the Firm reasonably believes to be accredited investors. In addition, and due to the speculative nature of these investments and the fact that these investments are intended to be long-term, we do not recommend the products to persons who have an immediate liquidity need, have a short investment horizon, and are over the age of 79.

Before making a recommendation, we perform due diligence of the proposed Joint Venture. That process may include, but is not limited to, reviewing any Operating Agreements, Authority for Expenditures, turnkey drilling and completion contracts, leases, assignments, drilling permits, and plat maps. However, the fact that our due diligence leads us to conclude that it is appropriate for us to offer Joint Venture Interests does not mean that any particular Joint Venture will be profitable, nor does it mean that any Joint Venture will be in the best interest of any particular retail customer.