



RANCE KING SECURITIES CORPORATION

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Form CRS Customer Relationship Summary

Dated: July 1, 2020

Introduction

Rance King Securities Corporation ("RKS") is registered with the Securities and Exchange Commission (SEC) as a limited purpose (direct participation programs) broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). As a subsidiary of Rance King Properties Inc. ("RK Properties"), we offer brokerage services to both wholesale (other broker-dealers) and qualified retail investors who meet certain suitability standards. We invest your assets on a non-discretionary basis meaning you make the ultimate decision regarding the purchase of your investments. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

Ask your financial professionals the following questions:

Given my financial situation, why should I invest with you? What is your relevant experience, including your licenses, education, and other qualifications?

RKS exclusively offers the private sale of real estate securities sponsored by RK Properties. These securities are presently sold in the form of beneficial interests in Delaware Statutory Trusts ("DSTs") that acquire large institutional grade multifamily properties throughout the United States that are suitable for Section 1031 exchanges or direct investment. We do make recommendations regarding our proprietary investment programs and include investment monitoring as part of our standard services. We generally require a minimum investment of \$25,000 for direct investments and \$100,000 for Section 1031 investments. RK Properties has been in business since 1976 and RKS has been offering its real estate investment programs since 1984. RK Properties has specialized in multifamily apartment investments since its inception and has sponsored private placement programs which have acquired 153 properties. These acquired properties have been located throughout the United States/ 139 properties have gone "full cycle" and 14 properties (with 3,549 units) are currently operational as of June 30, 2020. **For additional information about our brokers and services, visit www.investor.gov, BrokerCheck – www.brokercheck.finra.org, or review your account agreement.**

What fees will I pay?

Ask one of our financial professionals the following questions:

Tell me how you and your firm make money in connection with my account. Do you or your firm receive any payments from anyone besides me in connection with my investments?

The fees that we charge for our brokerage services are set forth in the Private Placement Memorandum ("Memorandum") for each of our program offerings under "Compensation and Fees." These fees include a one-time 6.0% retail sales commission and other fees related to our due diligence activities in investigating the property and marketing the offering for sale. We generally only have one program or offering available at a time so we will have a conflict of interest in recommending our product versus other products offered by other broker-dealers that may be similar to ours. There are certain on-going fees charged by our affiliate, RK Properties, for property management and administration of the DST as described in the Memorandum. These fees will be deducted by RK Properties from property revenues. RKS will not levy any specific charges for account maintenance services. **Note: You will pay fees and costs whether you make or lose money on your investments with RKS. 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.**

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 possible conflicts of interest that may arise:

What are our legal obligations to you when providing a recommendation?

What conflicts of Interest do we have?

Ask your financial professional:

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

- (1) As a limited purpose broker dealer because we sell only one proprietary investment program we will have a conflict of interest in recommending our program versus other programs that are offered by broker-dealers that compete with us for investors.
- (2) Investors in our programs have opportunities for purchasing other products which could have less risk than our programs which are generally illiquid and must be held for a substantial period of time. We will not be able to present these other products to you for your consideration.
- (3) You also have the opportunity when we sell one of our program's properties to reinvest or 'roll-over' your 1031 exchange investment into another of our investment programs or 'cash-out'. We will have a conflict of interest if we recommend that you reinvest as opposed to cash out your investment because we do not receive compensation if you elect the cash-out option. We will mitigate this conflict of interest by reviewing the objectives of your current RK investment portfolio at the time of the reinvestment opportunity. We may recommend that you diversify your investment with us in all or substantial part by cashing out and paying the capital gains tax and adding funds to more liquid investment options such as 'rainy day funds.'
- (4) Our registered representatives receive compensation in the form of commission payments from RKS from our investments programs that you invest in through us. This is because per the fee structure discussed above our representatives are incentivized to make such recommendations to earn commissions. We completely disclose all fees and commissions so that you are fully aware of what we will earn when you invest through us.

For more information please go to our SEC Form BD filing (www.sec.gov) and FINRA's website (www.BrokerCheck.finra.org).

How do our professionals make money?

Our RKS personnel only receive transaction based compensation, either in the form of retail or wholesaling commissions. We do not have any sales incentive programs or non-cash compensation arrangements. Our transaction based compensation program creates a conflict of interest with our investors because if transactions are not arranged by our representatives' recommendation of our investment programs then they will not receive any compensation for their services.

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

Ask your financial professional:

As a financial professional, do you or your firm have any disciplinary history?

Yes. Please go to www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals. Additionally, these events are disclosed on FINRA's website (www.BrokerCheck.finra.org) under 'Disclosures' and in our SEC Form BD filing (www.sec.gov).

Additional Information

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?

For additional information about our investment programs or services, or if you would like additional, up-to-date information or a copy of this Form CRS disclosure, please contact one of our following Investor Relations representatives:

Steve King: 800/677-7333, ext. 223, e-mail - steve@rkprop.com, and Denise Warren: 800/677-7333, ext. 230, e-mail - denise@rkprop.com.

**THANK YOU FOR YOUR INTEREST IN
RK SECURITIES AND RK PROPERTIES.**