

## **Retail Investor Relationship Summary**

**Updated October 30, 2023**

Pederson&Co LLC (Pederson or Firm) 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 the Securities Investor Protection Corporation (SIPC).

There are free and simple tools available to investors to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. You should carefully consider which types of accounts and services are right for you. This document gives you a summary of the types of services we provide and how we earn our fees. Please ask us for more information. There are some suggested questions below.

### **Relationships and Services**

#### **What investment services and advice can you provide me?**

- Our Advisors offer Merger and Acquisition and Corporate Advisory services to business owners, corporations, and institutional investors.
- Our Advisors also offer Private Securities to institutional investors, and to a lesser extent retail investors that are accredited investors.
  - Private Securities are privately issued securities that are exempt from SEC registration
  - We function as a broker to retail investors, though we do not provide brokerage services most retail investors are familiar with e.g. holding client accounts or securities. During an engagement, the securities go from the company to the investor and the payment goes from buyer to recipient without us handling payment or securities. We may recommend these securities to retail investors.
- We offer a limited selection of investments, specifically Private Placements. Other firms could offer a wider range of choices, some of which might have lower costs.
  - Private Placements are defined by FINRA as, “unregistered, non-public securities offerings that rely on an available exemption from registration with the Securities and Exchange Commission (SEC).”
- We are not required to, nor do we, monitor your portfolio or investments on an ongoing basis.
- We do not hold client accounts or securities. As such, there is no minimum account size or minimum investment amount for the broker-dealer. However, most issuers and fund managers set a minimum threshold on the size of investments, which may vary from one issuer or fund or offering to another.

#### **Ask a financial professional:**

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

### **Fees, Costs, Conflicts, and Standard of Conduct**

### **What fees will I pay?**

- When we recommend and you purchase a private placement, you do not pay any fees or other compensation directly to us. Instead, we are paid by issuers, secondary sellers, or fund managers. The issuer, secondary sellers, or fund manager agrees to pay us a placement fee negotiated at the time we enter a selling or solicitation agreement. That transaction fee is a percentage of the dollar amount of securities we sell. The fee may vary from one transaction to another but, in most cases, it is the same for all sales that are part of the same private placement offering. When selling fund interests, we may also, or alternatively, receive fees equal to a percentage of the management and incentive fees received by the fund manager for its services to you. We may receive those fees over time, as long as you maintain an investment in the fund. In addition, we are usually reimbursed for the expenses we incur in connection with each private placement. You should understand that the issuer, secondary sellers, or fund pays our fees and costs out of the proceeds of investments made by you and other investors. Details about the effect of offering expenses on your investment return are included in the offering materials we deliver to you. The issuer or secondary seller pays our private placement fees regardless of whether the offering is considered a success and regardless of whether you make or lose money on your investment. 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.

### **Ask a 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?”**

- The fee we earn on Private Securities transactions is typically paid by the Issuer, not you. The more securities you purchase, the more we will be paid by the issuer, secondary seller, or fund manager in private placement fees and expense allowances. You have the right to decide whether or not to purchase securities from us based on these incentives.

**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? 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.

### **Ask a financial professional, “How might your conflicts of interest affect me, and how will you address them?”**

### **How do your financial professionals make money?**

- Your Advisor has an incentive to offer or recommend certain investments, such as a Private Placement to you, and the Advisor’s compensation is often dependent upon the amount that you invest, which can create a conflict of interest

and affect the recommendations that we provide you. Your Advisor can receive both cash and non-cash compensation from the Issuer. FINRA defines non-cash compensation as, “any form of compensation that is not cash compensation, including but not limited to merchandise, gifts and prizes, travel expenses, meals and lodging.”

## Disciplinary History

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

- No. Neither Pederson&Co nor any advisors of the firm not have any legal or disciplinary events.
- Visit Investor.gov/CRS for a free and simple search tool to research our firm and our Advisors.
- To report a problem to the SEC, visit Investor.gov or call the SEC’s toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, visit [finra.org/investors/have-problem](http://finra.org/investors/have-problem). If you have a problem with your investment or Advisor, contact us in writing at the address below

## Additional Information

For additional information about our Advisors, our services and to request a copy of the relationship summary visit BrokerCheck (BrokerCheck.Finra.org), our web site ([www.pedersonco.com](http://www.pedersonco.com)) or call or write:

**Pederson&Co LLC**  
**100 NW 6<sup>th</sup> Street, #4008**  
**Miami, FL 33136**  
**651-271-7219**

### Ask our Advisors these key questions about our investment services and accounts.

1. What are the most common conflicts of interest? Explain how you will address those conflicts when providing services to me.
2. Help me understand how these fees and costs might affect my investments.
3. Do you or your firm have a disciplinary history? For what type of conduct?
4. 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?