



Form CRS – Customer Relationship Summary

December 12, 2022

Introduction

DirectTrade Securities, LLC (“DTS”) is registered with the Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA) as an introducing broker-dealer. DTS offers our *retail investors* limited securities broker-dealer services. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences.

There are free and simple tools available to research firms and financial professionals at investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Relationships and Services: “What types of investment services and advice can you provide me?”

Description of Services: We offer certain brokerage services to *retail investors* for a commission based on the type and value of investments purchased or sold in your account. If you open an account with our firm, we will first meet with you to understand your current financial situation, existing resources, goals, investment experience, and risk tolerance. Based on what we learn, we will recommend an investment or portfolio of investments that is suitable for you as a *retail investor*.

Monitoring: We will review your investments with you at least annually, but we do not provide regular ongoing monitoring services as part of our standard services.

Investment Authority: We do not make purchases on your behalf without your authorization and instruction to do so, also referred to as “discretionary trading”.

Limited Investment Offerings: We do not issue, or make available, or offer advice with respect to proprietary products. We offer and make available a limited menu of products or types of investments and based on your suitability profile may offer advice related to certain brokerage services, including buying and selling shares of mutual funds, money market funds, limited partnerships, private placements, variable annuities, and other variable and life insurance products. We do not offer or advise retail investors with regard to securities traded on an exchange (stocks and bonds).

Account Minimums and Other Requirements: We do not have any requirements for *retail investors* to open or maintain an account or establish a relationship, such as minimum account size or investment amount.

Additional Information: More detailed information about our services, fees, and material facts of our client relationships subject to Regulation Best Interest, can be obtained by contacting one of our registered finance professionals at 425-495-0104.

Conversation Starters: Ask your financial professional:

- 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 those qualifications mean?

Fees, Costs, Conflicts, and Standard of Conduct: “What fees will I pay?”

Description of Principal Fees and Costs: At DTS, *retail investors* are charged a transaction-based fee known as a “commission” for the purchase or sale of a security. DTS is paid the commission directly from the fund and annuity companies that you make transactions through. These commissions may reduce the value of your purchases. *Retail investors* would be charged more when there are more purchase transactions in his or her account, and the firm may therefore have an incentive to encourage a *retail investor* to trade more often. We do not charge you a separate or additional fee for making a securities transaction through us.

Description of Other Fees and Costs: There may be other fees and costs related to your investments in

addition to the transaction-based fees paid to us as your broker-dealer. Investment companies generally have different share classes and some charge additional fees that could reduce the value of your investments over time, such as account maintenance fees, custodian fees, marketing or distribution fees and other operational expenses. Please refer to your fund prospectus for all the costs and fees you are subject to, as well as potential discounts that may be available to you when investing in mutual funds.

Additional Information: 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. All fees and costs, as well as the inherent investment risks, are disclosed in the fund prospectus, and we encourage *retail investors* to read it carefully.

Conversation Starter: Ask your financial professional:

- *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 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.

Mutual fund families offer different classes of funds, creating incentives to firms like DTS to sell funds with higher fees to generate higher commissions and quarterly marketing fees, which are deducted from *retail investor* accounts. This incentive creates a conflict of interest. You should ask your financial professional about comparing fees and commissions for each share class recommended and inquire about any discounts that may be afforded to you when you invest in a single mutual fund family.

“How do your financial professionals make money and what conflicts of interest do you have?”

The financial professionals at DTS receive commission or fee-based compensation on brokerage business sold to clients through DTS. While there are conflicts inherent to transaction-based compensation and product sales commissions, these conflicts are mitigated by full disclosure and compliance with Regulation Best Interest. You should understand these conflicts because they can affect the services and advice we provide you.

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

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

Yes. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

Conversation Starter: Do you have any disciplinary history? For what type of conduct?

Additional Information: You can find **additional information** about our firm’s brokerage services on FINRA’s BrokerCheck website <https://brokercheck.finra.org/firm/summary/315469>. You can also contact our firm directly at **(425) 495-0104** and talk to any one of our investment professionals or a customer service rep.

Conversation Starters: 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?*