



tZERO Securities, LLC

**Form CRS Customer Relationship Summary
Responses to “Conversation Starters”**

Effective November 22, 2024.

Conversation starters: *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?*

Response: If you make all of your own investment decisions and want to invest in Regulation A, Regulation D and/or Regulation Crowdfunding securities offerings or trade the securities available through our platform, then a self-directed brokerage account like ours could be the right fit for you. tZERO Securities, LLC (“tZERO”, “we”, “us”, “our”) **does not** provide recommendations or advice about whether to invest in securities, account type, investment strategies, proprietary products or account monitoring. Other than our customer due diligence, anti-money laundering and related customer on-boarding procedures, 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. We are not subject to a fiduciary duty to you and do not monitor or manage your account, including the monitoring of brokerage account investments, unless we state otherwise in writing.

Since we do not provide recommendations and you must make all of your own investment decisions, the licenses, education and other qualifications of our financial professionals will not be relevant to your investment decisions. **If you choose our services, you must be comfortable with investing your capital on your own.**

tZERO has an interest in the growth and widespread adoption of digitally enhanced securities and digital asset securities (collectively, “**digital securities**”). Digitally enhanced securities are conventional, uncertificated securities. Ownership of such securities is reflected on the traditional books and records of regulated market participants. The terms “digitally enhanced” refer to the blockchain technology elements of a security that are intended to enhance the investor experience through added transparency, but have no controlling or legal effect. Digital asset securities are issued and transferred on a blockchain or distributed ledger.

Certain securities on tZERO’s platform are issued by companies that not “reporting companies” subject to the reporting requirements of the Securities Exchange Act of 1934 (“**private companies**” and their securities, “**private securities**”).

Investing in private securities is not suitable for all investors. An investment in private securities can be highly speculative and involve a high degree of risk. The market for private securities is less liquid than the market for national market securities or exchange traded securities. **There may be no secondary trading market for the securities you purchase through our primary issuance platform.** You may also have access to limited or no information about private companies and private securities.

Conversation starters: *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?*

Response: Our platform is self-directed; we will not invest your money for you.

If you open a brokerage account with us and want to invest in a securities offering, we may charge you a processing fee of up to 7% of each investment commitment made through the platform. This means if you

make an investment commitment of \$1,000 on our platform, we may charge you a \$70 processing fee. Additionally, you should read each offering memorandum to confirm there are no offering specific fees charged by the issuer or the issuer's affiliates and service providers. We may also pass through the fees from certain technology providers or third-party payment processors.

If you open a brokerage account for secondary trading through tZERO with \$10,000 and want to invest in securities, you will be charged trading fees. If you invest \$10,000 in securities priced equal to or greater than \$3.00 a share, all \$10,000 will be invested in the securities you purchase **minus** a 1% fee equal to the total executed amount of your buy or sell order, with the fee rounded up to the nearest \$0.01. If you invest \$10,000 in securities priced less than \$3.00 a share, all \$10,000 will be invested in the securities you purchase **minus** \$0.03 per share.

Other Fees

Fees may be charged for other services, such as paper statements, paper confirmations, and overnight mail. Customers are not charged for electronic statements and confirmations.

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

Response: tZERO *does not* provide recommendations. 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 services we provide you. Here are some examples to help you understand what this means. We receive fees from the Issuers that sell securities on the Platform. Generally, for each successful raise, we may receive: (1) a consulting fee, (2) reimbursement to cover our due diligence costs; (3) and a percentage of the funds raised. We therefore have an incentive to promote these offerings to ensure successful fundraising rounds. We and our affiliates have an interest in the growth and widespread adoption of digitally enhanced securities and digital asset securities (collectively, "**digital securities**"). Digitally enhanced securities are conventional, uncertificated securities. Ownership of such securities is reflected on the traditional books and records of regulated market participants. The terms "digitally enhanced" refer to the blockchain technology elements of a security that are intended to enhance the investor experience through added transparency, but have no controlling or legal effect. Digital asset securities are issued and transferred on a blockchain or distributed ledger. The roles played by our affiliates in the growth and widespread adoption of digital securities are as follows:

- We may act the escrow agent for most of the offerings on our platform. This means the money you purchase securities with on will be held by us until the offering of such securities is closed or is returned to you. tZERO is appointed as escrow agent by the issuer and does not charge you fees for this service.
- Customers are able to buy and sell digital securities on our alternative trading system (the "**ATS**"). Due to the terms and nature of the digital securities offered to you on the Platform, the ATS may be the only trading venue where digitally enhanced securities available on our platform become available for trading (if ever).
- Our parent company, tZERO Group, Inc. is the issuer of, TZROP. TZROP is a digitally enhanced securities that are available for you to trade on the ATS.
- tZERO Digital Asset Securities, LLC is our clearing and carrying broker-dealer for digital asset securities
- tZERO Technologies, LLC offers technology services to market participants relating to digital securities.

- tZERO Transfer Services, LLC may serve as the transfer agent or related services to issuers of digital securities.
- VerifyInvestor, Inc. may provide “accredited investor” verification services to issuers of digital securities.

Conversation starters: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Response: Yes. Information about tZERO’s disciplinary history and the type of conduct can be found in tZERO’s BrokerCheck report on FINRA’s BrokerCheck website at <https://brokercheck.finra.org/>. You may also visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation starters: *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?*

Response: Because your account is entirely self-directed and our platform is fully- integrated online through our website, you should direct any questions and concerns you may have by emailing support@tzero.com. An appropriate member of the tZERO team will address your question or concern based on how you categorize it when prompted to do so. The appropriate member of the tZERO team, which will be a registered person of tZERO or, to the extent your question or concern is purely technical in nature, a non-registered fingerprinted person of tZERO, will provide you with a response as soon as possible. In the event that you incorrectly categorize a question or concern that you may have, and the tZERO team member that received it is unable to assist you, your concern will be re-routed to the correct group within tZERO.