



## Customer Relationship Summary Effective January 2, 2024

tZERO Securities, LLC (“tZERO”, “we,” “our,” or “us”) is a Broker-Dealer registered with the U.S. Securities and Exchange Commission (“SEC”) and a member of the Financial Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Brokerage and investment advisory services and fees differ; and it is important that you understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

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

tZERO offers brokerage services to customers, retail investors and accredited investors exclusively online through one or more on-line platforms (collectively, the “Platform”). The Platform allows you to buy and sell digitally enhanced securities and/or digital asset securities on the alternative trading system operated by us (the “ATS”) and invest in companies seeking financing through Regulation D, Regulation A or Regulation Crowdfunding offerings. We act as an agent to facilitate secondary trading on the ATS and investments in those primary offerings. Certain offerings or securities trading may be limited to “accredited investors” and may require a certain minimum investment amount. We may also custody your digitally enhanced securities for you in your brokerage account, but all digital asset securities must be custodied by your third-party custodian. The decision to buy, sell or invest in a security is solely your choice. We do not offer advice, make recommendations or make strategies involving securities or securities accounts to investors. We do not monitor your account or individual investments. We do not make available or offer advice with respect to any products including but not limited to proprietary products, or a limited menu of products or types of investments. Other than our customer due diligence, anti-money laundering and related customer on-boarding procedures, we do not have any requirements for investors to open or maintain an account or establish a relationship with us, such as minimum account size or investment amount. We also do not trade securities for our own account. We do advertise and market our services via our website, email and other media platforms. **FOR ADDITIONAL INFORMATION PLEASE SEE TZERO’S CUSTOMER AGREEMENT OR BY CONTACTING US AT (855) 421-0638 OR SUPPORT@TZERO.COM.**

#### 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?*

Responses to these questions can be found at:

[https://storage.googleapis.com/public-disclosures.tzero.com/tZERO\\_Securities\\_Conversation\\_Starters.pdf](https://storage.googleapis.com/public-disclosures.tzero.com/tZERO_Securities_Conversation_Starters.pdf)

### What fees will I pay?

tZERO will charge you a transaction fee for each order that is filled on our Platform. When you invest in a primary offering, we may charge investors a processing fee of up to 7% of each investment commitment submitted through the Platform. tZERO may also pass through the fees from certain technology providers or third-party payment processors. In addition, the offering documents provided with each issuer’s offering has valuable information about other fees and other important facts. It is highly recommended for you to read the offering documents prior to investing in any issuer’s securities. For secondary trading on the ATS, you will be charged (i) 1% for all executions of buy and sell orders of securities priced equal to or greater than \$3.00 a share and (ii) \$0.03 per share for all executions of buy and sell orders of securities priced less than \$3.00 a share, rounded up to the nearest \$0.01. **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. Other fees for transfers or administrative services may apply in certain cases. MORE DETAILED INFORMATION ABOUT YOUR FEES AND COSTS CAN BE FOUND IN tZERO’S FEE SCHEDULE, AVAILABLE BY CONTACTING US AT (855) 421-0638 OR SUPPORT@TZERO.COM.**

#### 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?*

Responses to these questions can be found at:

[https://storage.googleapis.com/public-disclosures.tzero.com/tZERO\\_Securities\\_Conversation\\_Starters.pdf](https://storage.googleapis.com/public-disclosures.tzero.com/tZERO_Securities_Conversation_Starters.pdf)

**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?**

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. tZERO charges transaction -based fees. 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) a reimbursement to cover our due diligence costs; and (3) a percentage of the funds raised. We therefore have an incentive to promote these offerings to ensure successful fundraising rounds. For secondary trading, you will be charged (i) 1% for all executions of buy and sell orders of securities priced equal to or greater than \$3.00 a share and (ii) \$0.03 per share for all executions of buy and sell orders of securities priced less than \$3.00 a share, rounded up to the nearest \$0.01. We therefore have an incentive to promote the Platform to maximize trading activity.

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 serve as the issuer’s escrow agent for securities offerings on the Platform. This means the money you purchase securities on the Platform will be held by us until the offering of such securities is closed. We therefore have an incentive to promote these offerings to ensure successful fundraising rounds. We are appointed as escrow agent by the issuer and do not charge you fees for this service.
- 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 digital securities available on our Platform become available for trading (if ever).
- tZERO Technologies, LLC, our affiliate, offers technology services to issuers and market participants relating to digital securities.
- tZERO Transfer Services, LLC, our affiliate, may serve as the transfer agent and/or provide cap table management services to issuers of digital securities, including those available for trading on the Platform.
- Verify Investor, Inc. provides services to issuers to verify that their investors are “accredited investors.”

**Conversation Starters**

*How might your conflicts of interest affect me, and how will you address them?* Responses to these questions can be found at:

[https://storage.googleapis.com/public-disclosures.tzero.com/tZERO\\_Securities\\_Conversation\\_Starters.pdf](https://storage.googleapis.com/public-disclosures.tzero.com/tZERO_Securities_Conversation_Starters.pdf)

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

tZERO professionals receive fixed salaries and may receive discretionary bonuses that are based on their overall job responsibilities and performance. tZERO professionals are not solely compensated based on the amount of client assets they service; the time and complexity required to meet a client’s needs; the product sold (i.e., differential compensation); product sales commissions; or revenue the firm earns from the financial professional’s advisory services or recommendations.

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

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

**Conversation Starters**

*As a financial professional, do you have any disciplinary history? For what type of conduct?* Responses to these questions can be found at:

[https://storage.googleapis.com/public-disclosures.tzero.com/tZERO\\_Securities\\_Conversation\\_Starters.pdf](https://storage.googleapis.com/public-disclosures.tzero.com/tZERO_Securities_Conversation_Starters.pdf)

For more information about our services or financial professionals or to request an up-to-date version of this Form and our Written Responses, please call (855) 421-0638 or email [support@tzero.com](mailto:support@tzero.com).

**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?*

Responses to these questions can be found at:

[https://storage.googleapis.com/public-disclosures.tzero.com/tZERO\\_Securities\\_Conversation\\_Starters.pdf](https://storage.googleapis.com/public-disclosures.tzero.com/tZERO_Securities_Conversation_Starters.pdf)